

JBM AUTO  
Annual Report  
2017 - 18

S U S T A I N  
A N D  
S C A L E - U P



# ELECTRIC MOBILITY ECOSYSTEM

**OEM**  
Electric & Conventional  
Fuel Buses



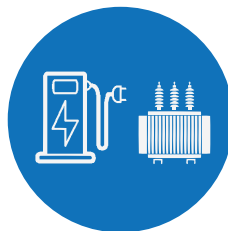
**KEY AGGREGATES**  
Battery | Motor  
Traction System



**POWER TRANSMISSION  
& DISTRIBUTION**



**CHARGING INFRASTRUCTURE**  
(Sub Stations, Metering &  
Charger)



**ITS**  
(Intelligent Transport System)



**OPERATION &  
MAINTENANCE**





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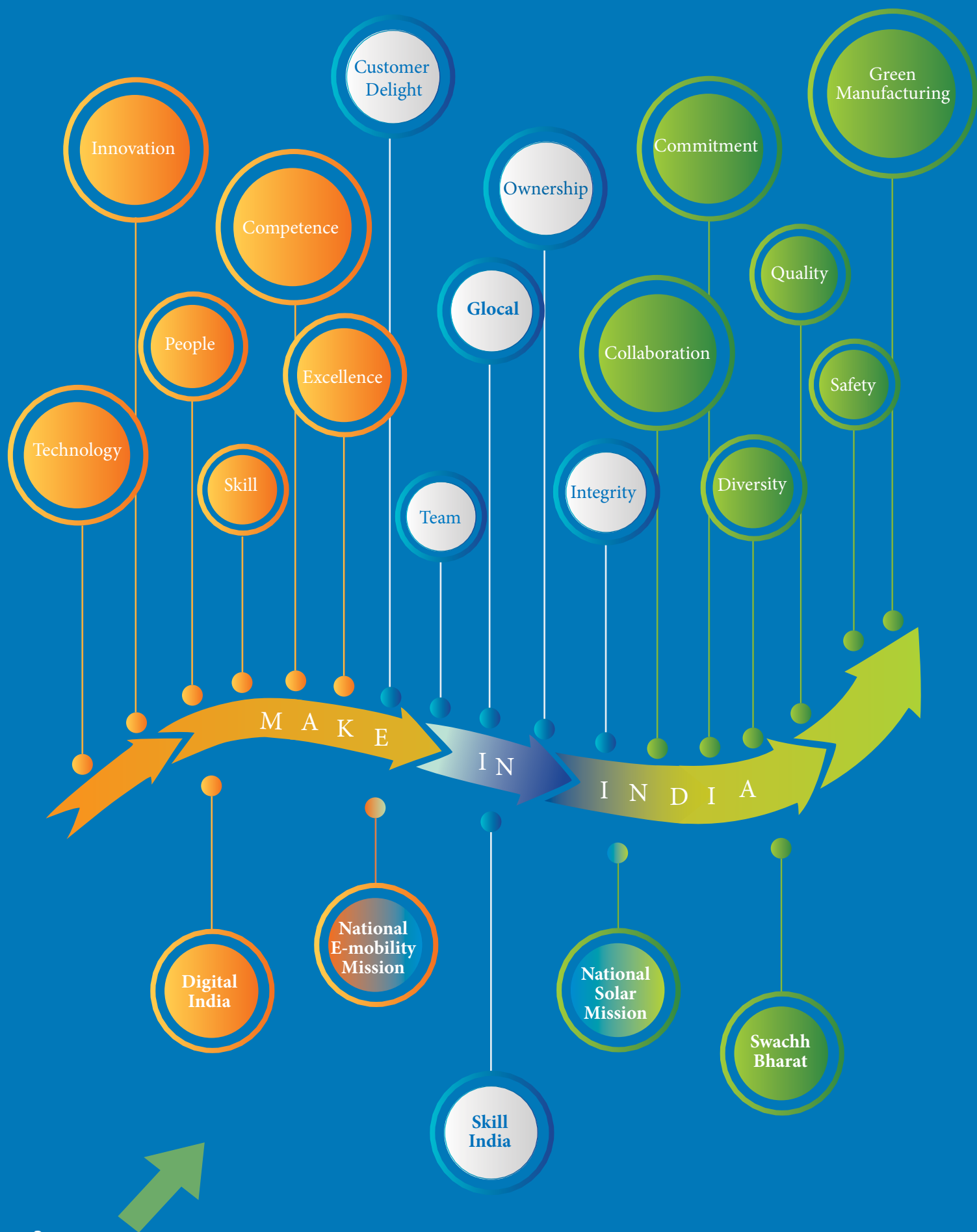
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### Cautionary Statement Regarding Forward-Looking Statement

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.



## SUSTAIN & SCALE-UP

Intrinsic to the core JBM DNA, we have been relentlessly working towards creating products that not only address the requirements of the future but are also green & sustainable. At JBM Auto Ltd., we believe in scaling up the business in tandem with our accountability towards the environment, thus, propelling our belief of shared prosperity.

As a responsible corporate citizen, it is time to create an ecosystem around eco-consciousness, thereby, subsequently scaling up the business on such foundations that forms the ethos and the business vision of JBM Auto Ltd.

Traditional methodology of auto component and automobile manufacturing has been defied by JBM Auto Ltd.'s green manufacturing approach that reflects positively on the environment. Using solar energy to propel its manufacturing; zero discharge certification and launching India's first indigenously manufactured public transport electric vehicle at the Auto Expo 2018, to creating a self-sustaining eco-system that energizes the functionality of the Electric Vehicle; JBM Auto Ltd. has consistently proved its mettle not only in creating value for all its stakeholders, but also bringing sustainability in its product development and creating an eco-system that propels positive energy.

Our theme of 'Sustain and Scale-Up' reflects the core deliverables of the company as a 'Glocal' corporate citizen and the results that can be achieved with being a mindful corporation. This is not the end but the beginning of creating value to those we serve, our country & our planet.

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USING SOLAR ENERGY TO PROPEL ITS MANUFACTURING; ZERO DISCHARGE CERTIFICATION AND LAUNCHING INDIA'S FIRST INDIGENOUSLY MANUFACTURED PUBLIC TRANSPORT ELECTRIC VEHICLE AT THE AUTO EXPO 2018, TO CREATING A SELF-SUSTAINING ECO-SYSTEM THAT ENERGIZES THE FUNCTIONALITY OF THE ELECTRIC VEHICLE; JBM AUTO LTD. HAS CONSISTENTLY PROVED ITS METTLE NOT ONLY IN CREATING VALUE FOR ALL ITS STAKEHOLDERS, BUT ALSO BRINGING SUSTAINABILITY IN ITS PRODUCT DEVELOPMENT AND CREATING AN ECO-SYSTEM THAT PROPELS POSITIVE ENERGY.

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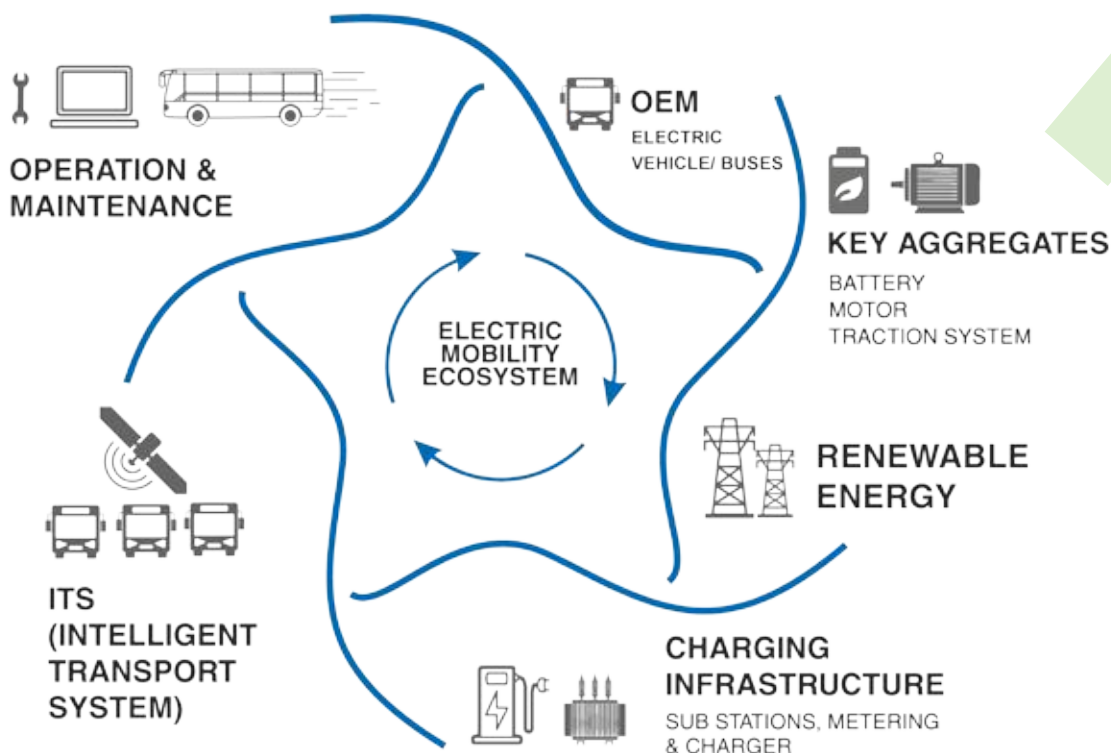
## AMPLIFYING THE E-MOBILITY ECOSYSTEM

The years 2018 and 2019 will be exhilarating years for us, as JBM Auto ventures mindfully into the high-tech & environment friendly e-Mobility solutions and ecosystem space. The launch of our Electric Bus ECO-LIFE, which is India's first 100% Electric, Zero Emission bus, is testimony to this fact.

The EV Ecosystem of JBM Group holistically comprises of the vehicle, key aggregates like battery, charging system with a well-structured operating pattern. All our new initiatives like electric vehicles, renewable energy and environment management systems and services are linked to the 'Green-o-Tech approach' aimed at sustainable and eco-friendly developmental synergies. E-Vehicle is the prime mover of your company's Green-o-Tech initiative which is getting enhanced traction by virtue of the support from our renewable energy and environment management services arm, thus, moulding it as an end-to-end in-house solution.

Consistent innovation, constant learning and benchmarking best technology in all our endeavours has been the cornerstone for our sustained and consistent growth over the decades. We strongly believe in the 'Total Cost of Ownership' (TCO) approach, making it an essential catalyst in the JBM ecosystem. We believe in acting as a one-stop shop encapsulating end to end solutions for the customer, thereby, optimising the TCO to achieve customer delight.

With focus on comfortable and eco-friendly transportation, JBM Auto has introduced ECO-LIFE with the sole intention of transforming today's customary commutation into tomorrow's congenial eco-transportation. Our focus is to bring path finding innovation in the EV business, thus, supporting a green and sustainable environment.







## LETTER FROM THE CHAIRMAN'S DESK



### Dear Shareholders,

With consistent growth over the years, India is the fastest growing G20 economy today. Increasing investments and exports, aptly supported by the smooth implementation of the new goods and services tax (GST), have been the major growth engines. By virtue of rising capacity utilization and revival in corporate earnings, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetization. However, a recovery is underway as suggested by the recent rebound in almost all automotive segments. As mentioned in my last year's address, our government's dual objective of bringing the unorganised sectors into the tax compliant mainstream and propelling the benefits of economic growth to larger sections of our society have strengthened the foundation of a new India that is already on its way towards a sustained economic growth in the coming decades.

India has been implementing a host of development and growth initiatives to address its upcoming challenges. The Government's flagship program, 'Skill India' has taken robust shape in training and upskilling the country's employable manpower. The 'Make in India', along with the 'Ease of Doing Business' in India has not only boosted investment but has also fostered innovation and built best in class manufacturing infrastructure. Given the wave of rapid urbanization, schemes such as Smart Cities and AMRUT are focused towards creating dynamic urban spaces in towns and cities across the Nation. On the infrastructure front, transport and navigation systems are being upgraded with latest facilities leading to better roads and highways, therefore, giving impetus to the automotive sector. The increasing urbanization has as well raised the daily lifestyle requirements of consumers where transportation, be it private or public, is increasingly becoming the lifeline of Indian cities & towns.

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

The auto industry is currently witnessing rapid adoption of Electric Vehicles (EVs), shared mobility and Bharat Stage VI emission & safety norms. India is aptly placed to leapfrog the conventional mobility model and achieve a shared, electric and connected mobility future by capitalizing on the existing capabilities and building on foundational government programmes and policies. National policies, such as FAME i.e. Faster Adoption for Manufacturing of Electric & Hybrid Vehicles and National Electric Mobility Mission are designed to encourage EV deployment and manufacturing in India.

Your company's momentum in the EV space has been on the upswing. Keeping to our business vision of having social impact on the environment played a crucial role in the transitioning of the OEM business of your company. I am happy to share with you that your company's JV with Solaris Bus & Coach, Europe has grown from strength to strength and has successfully launched India's First 100% Electric Bus 'ECO-LIFE' under the aegis of 'Make In India'. Moreover, the OEM division of your company has taken giant strides in the areas of New Product Development and acquisition of new customers. A stellar representation was made in the Auto Expo 2018 where your company unveiled 3 new products and launched the 100% Electric Bus 'ECO-LIFE', unveiled 'SKOOLIFE' CNG variant which is targeted at premium schools and 'CITYLIFE' CNG Non-AC variant for citybus operations. The 'CITYLIFE' CNG bus operation is now the lifeline of citizens and visitors of Noida and Greater Noida, which is being operated by Noida Metro Rail Corporation (NMRC). The bus



operations in Noida-Greater Noida was very successful with the fleet availability of over 99.5%. Ministry of Housing and Urban affairs, Govt. of India has conferred a special award to Noida- Greater Noida Bus operations under NMRC during their 10th Urban Mobility Conference cum Expo.

In the auto component space, your company's focus remains on moving up the value chain by enhancing the product range to cover the entire range of OEM requirements. From intricate parts, chassis & suspension systems and other critical aggregates, your company has added capabilities towards complete cabin building for commercial vehicles. Your company is now poised to undertake a major indigenisation plan of truck & CV cabins of international quality for global and domestic commercial vehicle players. For the passenger vehicle segment, your company has been catering to the widest range of systems and assemblies as a full service supplier. The portfolio in this segment is expanded by the addition of products like Pedal Box assembly, etc. Your company has bagged the prestigious Pedal Box assembly business from Ford and has, as well, secured new export business from Volvo for Europe and Asia.

The year gone by has been aptly rewarding for the Indian automobile industry. The overall vehicle production grew by 14.78% to reach 29.07 million vehicles. The passenger vehicle segment recorded an annual growth of 7.89%, riding on a robust growth of 20.97% in the demand of utility vehicles. Moreover, the sale of commercial vehicles and two wheelers grew by 19.94% and 14.80%, respectively. The overall automobile exports in FY17-18 registered a growth of 16.12%, backed by strong growth of 20.29% in 2 wheeler and 40.13% in 3 wheeler vehicles segments. According to ACMA, the Indian Auto Components Industry would grow to US\$ 100 billion by 2020, backed by strong exports estimated to be of US\$80-100 billion by 2026, from the current US\$ 11.2 billion.

I am glad to report a 13.02% growth recorded in your company's net profit of Rs. 81.13 crore in FY18. Your company's net worth as on March 31, 2018 increased by 17.03% to Rs. 417.36 crore reflecting a corresponding increase in the book value per share to Rs. 102.30 as compared to Rs. 87.42 per share in the previous year.

During the year, your company's Board of Directors considered and approved a scheme of amalgamation for the merger of JBM Auto System (P) Ltd. (subsidiary company) and JBM MA Automotive (P) Ltd. (associate company) with JBM Auto Ltd. The scheme of amalgamation is subject to statutory and regulatory approvals as per applicable laws. The proposed merger would result in achieving business and administrative synergies, consolidation & simplification of the Group structure, cost savings resulting from rationalization of business processes, improved organizational capability arising from pooling of financial resources and maximizing the overall shareholders value by strengthening its core competencies.

At JBM Auto, we have been consistent towards R&D so as to be able to provide complete array of services that encompass design, development, prototyping, testing and validation. We are actively expanding the portfolio to light-weighting parts and alternate materials to meet the emerging needs of safety & emission norms. Our engineering & R&D teams have been trained in Japan and are well versed in the design, development and testing technologies. Your company has also commenced full circle testing facilities for various Japanese, American, European and Indian OEMs by virtue of the world class test lab established recently.

To conclude, I extend my sincere appreciation to the management and the staff of the company for their valued contribution, as always. A big thanks to you, our valued stakeholders. Your faith and trust in our capabilities keeps motivating us to evolve higher and stronger.

I look forward to keep energizing all our stakeholders with a vision to sustain our environment in tandem to scaling-up our capabilities and capacities.

Thank you and Jai Hind.

**Surendra Kumar Arya**  
Chairman

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**I am glad to report a 13.02% growth recorded in your company's net profit of Rs. 81.13 crore in FY18. Your company's net worth as on March 31, 2018 increased by 17.03% to Rs. 417.36 crore reflecting a corresponding increase in the book value per share to Rs. 102.30 as compared to Rs. 87.42 per share in the previous year. Recognition of our state-of-the-art in-house R&D Centre at Kosi was renewed by the Department of Scientific & Industrial Research, Ministry of Science & Technology, Govt. of India.**

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## NEW MILESTONES FOR INDIAN AUTOMOTIVE INDUSTRY IN FY17-18

### Passenger Vehicle production crosses 4 million mark in FY18

The FY18 produced around 4,010,373 units of passenger vehicles, which is 13.79 per cent of the total vehicle produced in the country. First time India's passenger vehicle production figure crossed over 4 million units out of which 19% units has been exported to other countries. Utility vehicles, too, crossed 1 million production milestone in FY18. One out of every three passenger vehicles produced was a utility vehicle. The auto sector witnessed highest-ever production in the passenger car and utility segment in the FY18.

### India's Tractor Sales touches new heights in FY18

Tractor sales have been on a continuous rise due to 2 successive years of good monsoon, improved crop production, easy financing options and growing use of tractors in non-agricultural sectors. The sector saw an impressive growth of over 22% from 5,81,500 units in FY16-17 to 7,11,400 units in FY17-18.

### CV creates new record

Domestic sales of commercial vehicles created a new record by selling 856,453 units in FY2017-18. The segment surpassed its earlier sales record of 809,499 units in FY 2011-12.

### Three-wheelers production crosses 1-million mark

With the highest growth among all the segments, three-wheelers also recorded the highest production at 30.39 per cent to 1,021,911 units in FY18. The 3W sales touched the peak at 635,698, growing at a whopping 24.19% growth rate.

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

| Category            | 2013-14         | 2014-15         | 2015-16         | 2016-17         | 2017-18         | % Increase   |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Passenger Vehicles  | 2503509         | 2601236         | 2789208         | 3047582         | 3287965         | 7.89         |
| Commercial Vehicles | 632851          | 614948          | 685704          | 714082          | 856453          | 19.94        |
| Three Wheelers      | 480085          | 532626          | 538208          | 511879          | 635698          | 24.19        |
| Two Wheelers        | 14806778        | 15975561        | 16455851        | 17589738        | 20192672        | 14.80        |
| <b>Grand Total</b>  | <b>18423223</b> | <b>19724371</b> | <b>20468971</b> | <b>21863281</b> | <b>24972788</b> | <b>14.22</b> |

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

| Category            | 2013-14        | 2014-15        | 2015-16        | 2016-17        | 2017-18        | % Increase   |
|---------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| Passenger Vehicles  | 596142         | 621341         | 653053         | 758727         | 747287         | (1.51)       |
| Commercial Vehicles | 77050          | 86939          | 103124         | 108271         | 96867          | (10.53)      |
| Three Wheelers      | 353392         | 407600         | 404441         | 271894         | 381002         | 40.13        |
| Two Wheelers        | 2084000        | 2457466        | 2482876        | 2340277        | 2815016        | 20.29        |
| <b>Grand Total</b>  | <b>3110584</b> | <b>3573346</b> | <b>3643494</b> | <b>3479169</b> | <b>4040172</b> | <b>16.12</b> |