JMA/CSCors/2020-21/dt: **05th September, 2020**

JULLUNDUR MOTOR AGENCY (DELHI) LTD.

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, G Block,
Bandra - Kurla Complex,
Bandra (East), Mumbai – 400 051
Fax No. : +91-22-26598237/38
Telephone No. : +91-22-26598235/36,8346

Sub: **NOTICE OF 71ST ANNUAL GENERAL MEETING, BOOK CLOSURE, E-VOTING INFORMATION AND CALENDAR OF EVENTS**

| | |
|---|---|
| Name of the Company | **Jullundur Motor Agency (Delhi) Limited** |
| Symbol | **JMA** |
| ISIN | **INE412C01023** |

**I) ANNUAL GENERAL MEETING AND DISPATCH OF E-MAIL OF ANNUAL REPORT**

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** and/or any other applicable provisions of the Companies Act, 2013 and also, with reference to the captioned subject, Notice is hereby given that the Seventy First (71st) Annual General Meeting **("AGM")** of the members of Jullundur Motor Agency (Delhi) Limited **("the Company")** will be held on **Monday, 28th September, 2020 at 11:00 A.M.** through Video Conferencing (VC) and/or Other Audio Visual Means (OAVM) for which purpose the registered office of the Company situated at 458-1/16, Sohna Road, Opposite New Court, Gurugram – 122001, Haryana, INDIA, shall be deemed as the venue for the Meeting and the proceedings of AGM shall be deemed to be have taken place thereat, Notice of AGM is enclosed herewith as **"Annexure – I"**.

It is to further inform that in view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and owing to the difficulties involved in dispatching of physical copies of **71st Annual Report** comprising of Financial Statements, Board's Report, Auditors' Report or other documents required to be attached therewith and Notice of AGM are being sent in electronic mode to the members, directors, statutory auditors, secretarial auditors and other stakeholders of the Company whose e-mail address are registered with the Company/RTA or the Depository Participant(s).

**II) BOOK-CLOSURE:**

Pursuant to the provisions of Section 91 of the Companies Act, 2013 and rules made thereunder, and Regulation 42 and any other regulations, if applicable, of Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from **Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive)** for the said **AGM**.

**III) E-VOTING AND SCRUTINIZER:**

Pursuant to the provisions Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, read with Regulation 44 of the Listing Regulations, as amended from time to time, the Company is pleased to provide remote e-voting facility to its members enabling them to cast their votes electronically for all the resolutions as set out in the Notice of AGM. EVSN No. for e-voting is **200824028**.

The Company has availed the e-voting services as provided by Central Depository Services (India) Limited **("CDSL")**. M/s Vijay K. Singhal & Associates, Company Secretaries, New Delhi (Shri Vijay K. Singhal, Proprietor), have been appointed as scrutinizer for conducting the e-voting process in a fair and transparent manner.

Jullundur Motor Agency (Delhi) Limited Gurugram

JULLUNDUR MOTOR AGENCY (DELHI) LTD.

**IV) PERIOD OF E-VOTING**

The e-voting period will commence from **Friday, 25th September, 2020 (9:00 A.M.) and ends on Sunday, 27th September, 2020 (5:00 P.M.)**. The e-voting module shall be disabled by CDSL, for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting rights of members shall be as per the number of equity shares held by the members as on the cut-off date i.e. **Monday, 21st September, 2020**.

**V) CUT-OFF DATE FOR E-VOTING**

Cut-off date for the purpose of E-voting is **Monday, 21st September, 2020**.

**VI) NOTICE AND ANNUAL REPORT ON WEBSITE OF THE COMPANY**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, Notice of AGM and 71st Annual Report, are also available on Company's website www.jmaindia.com , links of which are as under:-

a) Notice of AGM: http://jmaindia.com/download/annual reports/financial reports 2019-20/Notice-of-71st-AGM.pdf

b) Annual Report: http://jmaindia.com/download/annual reports/financial reports 2019-20/71st-Annual-Report-2019-20.pdf

**VII) CALENDAR / SCHEDULE OF EVENTS IS AS UNDER:**

| S.No. | Particulars | Dates |
|---|---|---|
| 1. | 71st Annual General Meeting | Monday, 28th September, 2020 at 11:00 A.M. |
| 2. | Cut-off date for E-Voting | Monday, 21st September, 2020 |
| 3. | E-Voting Period | Friday, 25th September, 2020 (9:00 AM) to Sunday, 27th September, 2020 (5:00 PM) |
| 4. | Book Closure Period for the purpose of AGM | Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 *(Both days inclusive)* |

This is for your information and record.

*Aforesaid disclosures/intimation/corporate actions are being made in terms of the provisions of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.*

Kindly acknowledge the receipt of the same.

Thanking you,
Yours faithfully,
For **Jullundur Motor Agency (Delhi) Limited**

Jullundur Motor Agency (Delhi) Limited Gurugram

**Ramkesh Pal**
**(Company Secretary & Compliance Officer)**
Encl: As Above

# 71st Annual Report 2019-2020



# JULLUNDUR MOTOR AGENCY (DELHI) LIMITED

# JULLUNDUR MOTOR AGENCY (DELHI) LIMITED
**(CIN : L35999HR1998PLC033943)**

## BOARD OF DIRECTORS

**Chairman**
CA Subhash Chander Vasudeva, Chairman

**Executive Directors**
Shri Virat Sondhi, Managing Director
(Upto 31st March, 2020)
Shri Deepak Arora, Joint Managing Director
(Upto 31st March, 2020)

**Non-Executive Directors**

**Non-Independent Directors**
Shri Virat Sondhi w.e.f. 01st April, 2020
Shri Deepak Arora w.e.f. 01st April, 2020
Smt Shuchi Arora
Shri Ranjit Puri
Shri Sarvjit Sondhi
Shri Sanjeev Kumar
Smt Tanu Priya Puri

**Independent Directors**
CA Subhash Chander Vasudeva, Chairman
Shri Alok Sondhi
Shri Avinash Chander Anand
CA Mohindar Mohan Khanna

## CHIEF EXECUTIVE OFFICER
Shri Varoon Malik (Appointed w.e.f. 01st June, 2020)

## CHIEF FINANCIAL OFFICER
CA Narinder Pal Singh

## COMPANY SECRETARY & COMPLIANCE OFFICER
CS Ramkesh Pal

## BOARD COMMITTEES

### AUDIT COMMITTEE

| | | |
|---|---|---|
| CA Mohindar Mohan Khanna | - | Chairman |
| CA Subhash Chander Vasudeva | - | Member |
| Shri Virat Sondhi | - | Member |
| Shri Avinash Chander Anand | - | Member |

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

| | | |
|---|---|---|
| Shri Avinash Chander Anand | - | Chairman |
| Shri Deepak Arora | - | Member |
| Shri Sarvjit Sondhi | - | Member |

### NOMINATION & REMUNERATION COMMITTEE

| | | |
|---|---|---|
| Shri Avinash Chander Anand | - | Chairman |
| CA Subhash Chander Vasudeva | - | Member |
| Shri Alok Sondhi | - | Member |
| Shri Virat Sondhi | - | Member |
| Smt Tanu Priya Puri | - | Member |

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| | | |
|---|---|---|
| Shri Alok Sondhi | - | Chairman |
| Shri Avinash Chander Anand | - | Member |
| CA Subhash Chander Vasudeva | - | Member |
| Shri Virat Sondhi | - | Member |

## STATUTORY AUDITORS'
Aiyar & Co.,
Chartered Accountants
607, Akash Deep,
26-A, Barakhamba Road,
New Delhi – 110001

## LISTING OF SHARES WITH
National Stock Exchange of India Limited

## BANKERS
Kotak Mahindra Bank
Canara Bank
HDFC Bank
ICICI Bank

## REGISTERED OFFICE
458-1/16, Sohna Road,
Opposite New Court,
Gurugram -122001, Haryana, India
Phone: +91-124-3019210, 211
Fax: +91-124-4233868
Website: www.jmaindia.com
Email: info@jmaindia.com

## ADMINISTRATIVE OFFICE
2E/5, Jhandewalan Extension, New Delhi-110055

## REGISTRAR & SHARE TRANSFER AGENT
MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi-110 020
Tel: +91-11-26387281, 82, 83
Email: info@masserv.com
Website: www.masserv.com

### Green Initiative

The new Companies Act, 2013 ('the Act') effective from 1st April, 2014, permits the Companies to send the Notice/documents including Annual Reports through electronic mode to all those shareholders whose email addresses are registered with the Company or their respective Depository Participants. Members who intend to receive notice/documents including Annual Reports through email are requested to register/update their email addresses for receiving electronic communications.

## REGIONAL AND BRANCH OFFICES

Agra, Allahabad, Alwar, Amritsar, Asansole, Aalampur, Baddi, Bangalore, Bhatinda, Bhilwara, Bhubneshwar, Bikaner, Chennai, Chandigarh, Cuttack, Coimbatore, Cochin, Dehradun, Delhi, Ghaziabad, Gorakhpur, Gurgaon, Guwahati, Haldwani, Indore, Jabalpur, Jaipur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kanpur, Kolkata, Kota, Lucknow, Ludhiana, Madurai, Mangalore, Muzaffarpur, Mysore, Namakkal, Pathankot, Patiala, Patna, Rourkela, Ranchi, Raipur, Salem, Saharanpur, Silliguri, Udaipur, Varanasi, Tinsukia, Yashwantpur.

## INDEX


| Contents | Page No. |
|---|---|
| Notice of 71st Annual General Meeting | 3 - 12 |
| Financial Highlights | 13 |
| Board's Report | 14 - 44 |
| Report on Corporate Governance | 45 - 58 |
| **STANDALONE FINANCIAL STATEMENTS** | |
| Auditors' Report | 59 - 67 |
| Balance Sheet, Profit & Loss Statements and Notes to Accounts | 68 - 97 |
| **CONSOLIDATED FINANCIAL STATEMENTS** | 98 |
| Auditors' Report | 99 - 105 |
| Balance Sheet, Profit & Loss Statements and Notes to Accounts | 106 - 140 |

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Seventy First (71st)** Annual General Meeting("AGM") of the members of **Jullundur Motor Agency (Delhi) Limited** will be held on Monday, 28th day of September, 2020 at 11:00 A.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) for which purpose the registered office of the Company situated at 458-1/16, Sohna Road, Opposite New Court, Gurugram – 122001, Haryana, INDIA, shall be deemed as the venue for the Meeting and the proceedings of AGM shall be deemed to be have taken place thereat, to transact the following businesses:-

**ORDINARY BUSINESS:**

**1.** To receive, consider and adopt:

a) the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the Financial Year ended as on that date together with the Reports of Board of Directors and Auditors thereon;

b) the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss for the Financial Year ended as on that date together with the Report of Auditors thereon.

**2.** To declare dividend on equity shares for the financial year ended 31st March, 2020.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** dividend at the rate of INR 1/- (One Rupee only) per equity share of INR 02/- (Two Rupees only) each fully paid-up of the Company (i.e. 50% of INR 02/- each fully paidup equity share), as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March, 2020 and the same be paid out of the profits of the Company for the financial year ended 31st March, 2020."

**3.** To appoint a Director in place of Shri Virat Sondhi (DIN: 00092902), who retires by rotation and being eligible offers himself for re-appointment.

**4.** To appoint a Director in place of Shri Deepak Arora (DIN: 00093077), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

**5. To consider the appointment of Shri Varoon Malik as Chief Executive Officer ("CEO") of the Company**

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 203, 188(1), 188(1)(f) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and on the recommendation/approval of Nomination & Remuneration Committee, Audit Committee at their meeting held on 21st May, 2020 and 25th May, 2020 respectively and pursuant to the approval of members of the Company at their Extra-ordinary General Meeting ("EGM") held on 20th December, 2018, the approval of the members of the Company be and is hereby accorded to continue to hold the office or place of profit to Shri Varoon Malik (Son-in-law of Shri Deepak Arora & Smt Shuchi Arora, Non-Executive Directors) (who was holding the office or place of profit as COO till 31st May, 2020), as Chief Executive Officer ("CEO"), Key Managerial Personnel of the Company or with such designation and for such period, as the Board of Directors of the Company may, from time to time, decide, on the following terms and conditions:

| | |
|---|---|
| 1. Initial Tenure of Appointment | 01st June, 2020 to 31st May, 2021 |
| 2. Remuneration:<br>a) Basic Salary;<br>b) House Rent Allowance;<br>c) Increments / Pay Grade | <br>INR 3,25,000/- per month;<br>50% of the Basic Salary;<br>INR 3,25,000/- - INR 25,000/- - INR 3,75,000/- |
| 3. Contribution to PF | Contribution in Provident Fund as per policy of the Company read with the Provisions of Employees Provident Fund & Miscellaneous Provisions Act, 1952 |
| 4. Performance Bonus | Maximum one month of Basic Salary, subject to the approval of Nomination & Remuneration Committee and the Board of Directors |

| | |
|---|---|
| 5. Perquisite(s) / Facilities(s) / Allowances | - Car with Chauffeur;<br>- Reimbursement of Medical Expenses, with a maximum limit of Basic Salary of one month;<br>- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per Company's policy;<br>- Leave Encashment as per Company's policy;<br>- Mobile / Telephone facilities; and<br>- All other retirement benefit as available to other senior executives<br>**Explanation:**<br>Value of aforesaid Perquisites/Allowances shall be calculated and considered as per respective/applicable provisions of the Income-tax Act, 1961 and/or Companies Act, 2013 read with rules and/or regulations made thereunder. |
| 6. Reimbursement of Travel Expenses | All the expenses incurred towards travelling, India / aboard and lodging and boarding during business trips including any medical assistance provided during such trips. |
| 7. Notice Period | 3 Months or Salary in lieu thereof |
| 8. Other Terms & Conditions | As per appointment letter |
| 9. Ceiling Limit | Total Cost to Company ("CTC") in any case shall not exceed INR 90,00,000/- per annum without the approval of shareholders in General Meeting. |

"**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 and to be within the maximum limit and terms & conditions of appointment, to effect change in designation and responsibilities of Shri Varoon Malik, holding office or place of profit, as approved by the shareholders in this AGM."

**"RESOLVED FURTHER THAT** any of Directors of the Company and/ or Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to execute and perform such acts, deeds, matters and things as may be necessary to give effect to this resolution."

**6. To consider the continuation of term of appointment of Shri Virat Sondhi (DIN: 00092902)**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a ***Special Resolution:***

**"RESOLVED THAT** pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, Shri Virat Sondhi (DIN: 00092902), a Non-Executive Director of the Company, who is liable to retire by rotation as per the Companies Act, 2013 and being more than 75 years of age, whose continuation in office with effect from 1st April, 2020 requires approval of shareholders by way of special resolution, approval of the shareholder of the Company be and is hereby accorded to Shri Virat Sondhi to continue to hold the office as a Non-Executive Director of the Company for the residue of his term with effect from 1st April, 2020."

**7. Payment of honorarium to Shri Virat Sondhi, a single Non-Executive Director in excess of the limit of 50% of the total annual remuneration payable to all Non-executive Directors**

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 Section 188, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules made thereunder or any amendment(s) thereto or modification(s) or re-enactments thereof for the time being in force read with the Regulation 17 (6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other regulation, if applicable, as amended, and such other approvals, permissions and sanctions, as may be required, consent and approval of the shareholders of the Company, be and is hereby accorded by way of special resolution for payment of honorarium to Shri Virat Sondhi (DIN: 00092902), a Non- Executive Director and also to hold the office or place of profit, remuneration in respect of which exceeds 50% of the total annual remuneration payable to all Non-executive directors, over and above the usual sitting fees for attending meetings of the Board and Committees thereof, for such period, as the Board of Directors of the Company may, from time to time, decide, on the following terms and conditions:

| | |
|---|---|
| 1. Initial Tenure of Appointment: | 01st October, 2020 to 30th September, 2021 |
| 2. Honorarium: | INR 100,000/- (Rupees One Lakh Only) Per Month |
| 3. Perquisites/Allowances: | - Reimbursement of Medical expenses to the extent of INR 1,00,000/- per year for self and family; and<br>- One Car with chauffeur for personal and official use<br>**Explanation:**<br>Value of aforesaid Perquisites/Allowances shall be calculated and considered as per respective/applicable provisions of the Income Tax Act, 1961 and/or Companies Act, 2013 read with rules and/or regulations made thereunder. |
| 4. Reimbursement of Expenses | Reimbursement of any other expenditure incurred by him in connection with the business of the Company |
| 5. Ceiling Limit: | Subject to the provisions of Section 188, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other regulation, if applicable and Articles of Association of the Company, the overall honorarium and perquisites allowable to Shri Virat Sondhi shall be restricted to INR 15,00,000/- per annum. |

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to aforesaid resolution."

Place: Gurugram
Date: 18th August, 2020

By order of the Board of Directors of
Jullundur Motor Agency (Delhi) Limited

Jullundur Motor Agency (Delhi) Limited
Regd. Off.: 458-1/16, Sohna Road,
Opp. New Court, Gurugram – 122001, Haryana
CIN: L35999HR1998PLC033943
Email id.: jmaadmincs@jmaindia.com
Website: www.jmaindia.com

Sd/-
Ramkesh Pal
Company Secretary
(Membership No.: A40120)

**Notes:**

1. In view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members at the AGM venue is not required and AGM can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM as the meeting is being conducted through VC/OAVM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting.
3. In compliance with MCA Circular No. 20/2020 dated 5th May, 2020 and SEBI Circular No. SEBI/HO/ CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report 2019-20) and Notice of AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Company/RTA or the Depository Participant(s).
4. The Members can join the AGM through VC/OAVM mode, 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit

Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. 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 Companies Act, 2013.
6. Corporate Members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.
7. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at CDSL e-Voting system at https://www.evoting.cdsl.com.
8. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Businesses as set out above to be transacted at 71st AGM is annexed hereto and forms part of this Notice.
9. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director/KMP seeking re-appointment at this AGM is annexed hereto and forms part of this Notice.
10. The Register of Members and Share Transfer Books of the Company shall remain close during the Book Closure period i.e. from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive). The Company has fixed Monday, 21st September, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2020, if approved at the AGM.
11. If the final dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:
    i. to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Monday, 21st September, 2020.
    ii. to all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Monday, 21st September, 2020.
12. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to info@masserv.com till 05:00 PM (IST) on Monday, 21st September, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
13. In case of joint holders attending the Meeting, only first shareholder will be entitled to vote at AGM. Individual shareholders holding shares in the Company, singly or jointly, may nominate an individual to whom all the rights in the shares in the Company shall vest after his/her or their death.
14. Members desiring any information as regards to the financial statements / accounts are requested to write to the Company at info@jmaindia.com at an early date so as to enable the management to keep the information ready at the AGM.
15. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), nominations, power of attorney, change of address, change of name and e-mail address, etc., to their respective Depository Participant only. Members holding shares in physical form are requested to intimate such changes to the Company/MAS Services Limited i.e. Registrar and Transfer Agent.
16. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar and Transfer Agent.

17. The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company or MAS Services Limited i.e. Registrar and Transfer Agent.

18. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, unclaimed dividend for the Financial Year ended 31st March, 2013 had been transferred into the Investor Education and Protection Fund established by the Central Government ("IEPF").

    The members / claimants whose shares and / or unclaimed dividend(s) amount had been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The member / claimant can file only one consolidated claim in a Financial Year as per IEPF Rules.

    Members should write to the Company if their dividend warrants for the Financial Year ended on 31st March, 2014, or any subsequent financial year(s), have not been en-cashed /claimed.

19. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with respective rules made thereunder, the companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.

20. Members may also note that the Notice of AGM and the Annual Report for the Financial Year 2019-20 are also available on the Company's website i.e. www.jmaindia.com. All documents referred to in the notice can be obtained for inspection through secured mode by writing to the Company at its email ID info@jmaindia.com till the date of the meeting.

21. Pursuant to Section 108 of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 21st September, 2020, i.e. the date prior to the commencement of book closure date are entitled to vote on the resolutions set forth in this Notice. Members who have acquired shares after mailing of the Annual Report and/ or Notice of AGM and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Friday, 25th September, 2020 and will end at 5.00 p.m. on Sunday, 27th September, 2020. The Company has appointed M/s Vijay K. Singhal & Associates, Company Secretaries, to act as the Scrutinizer, to conduct the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

22. **Voting through Electronic means:**

I. In compliance with the provisions of Regulation 44 of the Listing Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 71st Annual General Meeting (AGM) held through Video Conferencing by Electronic means and business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

**INSTRUCTION FOR E-VOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS**

(i) The shareholders need to visit the e-voting website http://www.evotingindia.com/.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID

  a. For CDSL: 16 digits beneficiary ID,

  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

| | **For Shareholders holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in email. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii). |

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for "**Jullundur Motor Agency (Delhi) Limited**".

xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii) After selecting the resolution on which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:**

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, and copy of PAN card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

(ii) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(iii) If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending the AGM.

(iv) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**INSTRUCTIONS FOR JOINING MEETING THROUGH VC/OAVM:**

(i) To join the meeting, the shareholders should log on to the e-voting website http://www.evotingindia.com/ and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to '**cisco**' website.

In the "Name" field - Put your name.

In the "last name" field - Enter your folio no. as informed in e-mail

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Event No. 200824028 will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:**

1. System requirement:
   - Windows 7, 8 or 10
   - I3
   - Microphone, speaker
   - Internet speed minimum 700 kbps
   - Date and time of computer should be current date and time

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:**

- Please download webex application from play store

**NOTE:** IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

**PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ACCOUNTS**

i. As the AGM is being conducted through VC/OAVM, members are encouraged to express their views/send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at info@jmaindia.com to enable smooth conduct of proceedings at the AGM. Questions/Queries received by the Company on or before Friday, 25th September, 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.

ii. 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 info@jmaindia.com on or before Friday, 25th September, 2020. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM.

iii. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

23. Since the AGM is being conducted through VC/OAVM, the Route Map, Proxy form and attendance slip are not annexed to this Notice.

24. **Particulars of Directors/KMP seeking appointment / re-appointment in this Annual General Meeting:**

| **S. No.** | **1** | **2** | **3** |
|---|---|---|---|
| **Name of the Director/KMP** | Virat Sondhi | Deepak Arora | Varoon Malik |
| **Category / Designation** | Non-executive Director | Non-executive Director | Chief Executive Officer |
| **Director Identification Number (DIN)** | 00092902 | 00093077 | NA |
| **Date of Birth** | 1/7/1938 | 18/12/1960 | 18/06/1982 |
| **Father's/Husband's Name** | Late Shri N S Sondhi | Late Sqn. Ldr. G K Arora | Shri Naresh Kumar Malik |
| **Date of 1st Appointment** | 1/11/1967 | 1/8/2005 | 01/01/2019 |
| **Shareholding** | 57,42,520 Equity Shares(19.26%) | 13,07,809 Equity Shares(4.39%) | 22,500 Equity Shares(0.08%) |
| **Relationships with other Directors & KMP** | Father-in-law - Deepak Arora; Father - Shuchi Arora | Son-in-law - Virat Sondhi; Husband - Shuchi Arora; Father-in-law - Varoon Malik | Son-in-law - Shri Deepak Arora and Smt Shuchi Arora |
| **Experience** | More than 55 Years | More than 35 Years | More than 15 Years |
| **Educational Qualification** | Intermediate | Graduate | MBA, Bachelor of Economics (Hons.) |
| **Number of meeting attended in last Financial Year** | 14 (Including Committee Meetings) | 8 | Nil |
| **Last Remuneration Withdrawn** | INR 92.40/- Lakhs Per Annum | INR 92.40/- Lakhs Per Annum | 64.27/- Lakhs Per Annum |
| **Remuneration sought to be paid** | Refer Item No. 7 of Notice of AGM | Nil | Refer Item No. 5 of Notice of AGM |
| **Other Directorship#** | 1. JMA Marketing Limited (Formerly known as JMA Rane Marketing Limited);<br>2. Jullundur Auto Sales Corporation Limited;<br>3. ACL Components Limited | 1. JMA Marketing Limited (Formerly known as JMA Rane Marketing Limited);<br>2. Jullundur Auto Sales Corporation Limited;<br>3. ACL Components Limited | Nil |
| **Committee Membership@** | Audit Committee – Member; | Stakeholders Relationship Committee- Member | Nil |

# Excluding Private Companies, Foreign Companies, Section 8 Companies and Alternate Directorship.

@ Includes Only Audit Committee and Shareholders'/Stakeholders' Relationship Committee.

## Annexure to Notice of Seventy First (71st) Annual General Meeting

## EXPLANATORY STATEMENT REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

**Item no. 5**

The provisions of Section 203 and 188(1) of the Companies Act, 2013 that govern the appointment of Chief Executive Officer and Key Managerial Personnel of the Company and Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required.

Shri Varoon Malik is MBA from Asian Institute of Management, Manila Philippines, Bachelor of Economics (Honors) from St. Stephens College, University of Delhi and has done a short term course from ISB, Hyderabad, India. He was also exchange student of Stockholm School of Economics, Stockholm, Sweden. Shri Malik had been working with Bennett, Coleman and Co. Ltd, for over 10 years and was designated as Deputy General Manager - Brand Capital at the time of resignation.

Section 188(1) (f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and Audit Committee, at their respective meetings held on 21st May, 2020 and 25th May, 2020, respectively, had approved the appointment of Shri Varoon Malik (who was appointed as COO in shareholders meeting held on 20th December, 2018) as Chief Executive Officer ("CEO") and Key Managerial Personnel ("KMP") of the Company in terms of Section 203 of the Companies Act, 2013, subject to approval of the Shareholders by way of an Ordinary Resolution.

The details of the remuneration payable to Shri Varoon Malik, are given in the resolution no. 05, which is the same as approved by the shareholders in their meeting held on 20th December, 2018 except that the sub-limit of INR 2,50,000/- for perquisites has been deleted so as to have the overall limit of INR 90,00,000/- specified in the aforesaid resolution.

Shri Deepak Arora, and Smt Shuchi Arora, Non-Executive Directors, being relatives are deemed to be interested or concerned in the aforesaid resolution.

The Board of Directors recommend the resolution at Item No. 5 for approval of the members by way of ***Ordinary Resolution***.

**Item no. 6**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Shri Virat Sondhi, was last appointed as Managing Director of the Company, for a period of five years w.e.f. 01st April, 2015 to 31st March, 2020, in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder. The term of Shri Virat Sondhi, as Managing Director ("MD") expired on 31st March, 2020, whereafter he continues to be on the Board in the capacity of Non-Executive Director, subject to retirement by rotation under the applicable provisions of the Act. Shri Virat Sondhi is more than 75 years of age and accordingly his continuation as Non-Executive Director with effect from 1st April, 2020 requires approval of shareholders by way of special resolution. Brief profile of Shri Virat Sondhi, is given in Note 24 in the notice of AGM.

Shri Virat Sondhi has overall experience of more than 55 years in automobile industry. During these years, he has served the Company in various capacities. He joined as an Executive Director on the Board of the Company in the year 1979 and served as Managing Director for over three decades and Chairman of the Company. On account of his rich experience and expertise in the automobile sector, during his long association with, and under his leadership, the Company has benefitted, transformed considerably and also achieved many milestones. Also, Shri Sondhi has been associated with several Trade and Industry Associations. Considering his extensive knowledge, skills and experience, the Board of Directors is of the opinion that his continuation as Non-Executive Director will be beneficial and in the best interests of the Company.

Shri Virat Sondhi fulfils all conditions specified by applicable laws for the position of a Non-Executive Director of the Company and is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013. As per provisions of the Companies Act, 2013, Shri Virat Sondhi retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment, which is being separately considered by the shareholders as a part of ordinary business in this Annual General Meeting.

Except Shri Virat Sondhi, being the appointee and relatives, being Shri Deepak Arora and Smt. Shuchi Arora, Non-Executive Directors, Shri Varoon Malik, Chief Executive Officer, Smt. Aditi Arora Malik, President and Ms Aashna Arora,

Vice President – A& F, none of the other 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. 6.

The Board of Directors recommends the resolution at Item No. 6 for approval of the members by way of ***Special Resolution***.

**Item no. 7**

Shri Virat Sondhi is a Promoter and Non-executive Director (Ex-MD) of the Company. Shri Virat Sondhi is having over more than 5 (Five) decades of industry experience in the field of distribution of auto spare parts and automobiles industry.

Under the dynamic leadership, stewardship and vision of Shri Virat Sondhi in past more than five decades the Company has achieved the distinction of becoming one of the leading distribution houses of spare parts in automobile industry in the Country.

The board of directors, at its meeting held on 25th May, 2020 placed on record their appreciation for the immense contribution made by Shri Virat Sondhi to the progress of the Company and its group companies. Further, the Nomination and Remuneration Committee (NRC), recognizing his contribution towards development of the Company and its group companies and his vast expertise, experience and knowledge with regard to the business of distributionship of the automobile parts, and also his cordial relations with the suppliers / manufacturers, recommended to the board that it would be in the long term interest of the Company, if, Shri Virat Sondhi continues to remain closely associated with and continue to share his rich experience and expertise and to guide the Company; and in recognition of his services also bestowed him with the title of Chairman - Emeritus.

Taking into consideration the request of NRC/ the board, Shri Virat Sondhi consented to, provide his guidance and mentorship to the executive management, advisory support in initiatives of strategic importance and liaising with Principals for Group's future growth plans, also involving new business areas.

Based on the recommendations of the Nomination and Remuneration Committee and approval by the Audit Committee in their meeting held on 13th July, 2020, the board considered and unanimously approved the payment of honorarium and certain perquisites to Shri Virat Sondhi, Chairman Emeritus, Non-Executive Director as mentioned in Item No. 7 of Notice of this AGM, which requires approval of shareholders of the Company. The above alongwith terms & conditions enumerated in resolution may be treated as a written memorandum setting out the terms of payment of honorarium to Shri Virat Sondhi under the Companies Act, 2013 and rules made thereunder.

Pursuant to Regulation 17 (6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time, the payment of aforesaid honorarium to Shri Virat Sondhi, a single non-executive director which exceeds 50% of the total annual remuneration payable to all Non-executive directors, requires approval of shareholders by way of passing of special resolution in ensuing 71st Annual General Meeting of the Company. Such payment of honorarium to Shri Virat Sondhi involves the holding of an 'office or place of profit' under Section 188 of the Companies Act, 2013 and rules made thereunder.

Except Shri Virat Sondhi, being the appointee and relatives, being Shri Deepak Arora and Smt. Shuchi Arora, Non-Executive Directors, Shri Varoon Malik, Chief Executive Officer, Smt. Aditi Arora Malik, President and Ms Aashna Arora, Vice President – A& F, none of the other 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. 7 of the Notice, to the extent of directorship and / or their respective shareholding, as the case may be, in the Company. As required under the SEBI (LODR) Regulations, 2015, said persons shall abstain from voting on the resolution.

The Board of Directors recommend the resolution as set out at Item No. 07 for the approval of the members as ***Special Resolution***.

Place: Gurugram
Date: 18th August, 2020

By order of the Board of Directors of
Jullundur Motor Agency (Delhi) Limited

Sd/-
Ramkesh Pal
Company Secretary
(Membership No.: A40120)

Jullundur Motor Agency (Delhi) Limited
Regd. Off.: 458-1/16, Sohna Road,
Opp. New Court, Gurugram – 122001, Haryana
CIN: L35999HR1998PLC033943
Email id.: jmaadmincs@jmaindia.com
Website: www.jmaindia.com

## FINANCIAL HIGHLIGHTS

**(₹ In Lakhs)**

| | Accounting Standards | | IND AS | | | |
|---|---|---|---|---|---|---|
| | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Share Capital | 596.36 | 596.36 | 596.36 | 596.36 | 596.36 | 596.36 |
| Reserves & Surplus | 10,080.98 | 11,060.64 | 12,092.90 | 13,266.49 | 13,980.95 | 15,117.05 |
| Net Worth | 10,677.34 | 11,657.00 | 12,689.26 | 13,862.85 | 14,577.31 | 15,713.41 |
| Revenue from operations | 38,151.79 | 38,527.79 | 37,957.71 | 32,156.70 | 32,716.58 | 30,415.55 |
| Profit Before Tax | 2,123.27 | 1,891.12 | 2,009.23 | 1,840.37 | 2,053.19 | 1,715.40 |
| Profit After Tax | 1,455.33 | 1,247.54 | 1,307.21 | 1,199.01 | 1,344.06 | 1,270.38 |
| Total Comprehensive Income | | | 1,319.36 | 1,173.59 | 1289.62 | 1,136.10 |
| Dividend Amount | 238.54 | 238.54 | 238.54 | - | 575.15 | - |
| Dividend % | 40% | 40% | 40% | - | Final - 40%<br>Interim-40% | - |
| Earnings per Share (Rs.) | 24.40 | 20.92 | 21.92 | 20.11 | 4.51 | 4.26 |
| Book Value Per Share (Rs.) | 179.04 | 195.15 | 212.79 | 232.46 | 48.89 | 52.70 |
| Return on Net Worth (%) | 14.41% | 11.17% | 10.84% | 8.84% | 9.07% | 7.50% |

Note: During the FY 2019-20, the Company has sub-divided 59,63,610 Equity shares of ₹ 10/- each into 2,98,18,050 Equity shares of ₹ 2/- each (i.e. in the ratio of 1:5), therefore, EPS and Book value per share for the FY 2018-19 & 2019-20 has been calculated on 2,98,18,050 equity shares of ₹ 2/- each.

## BOARDS' REPORT

To,

The Members

Your Directors are pleased to present their Seventy-first (71st) report for the Financial Year ended 31st March, 2020.

### 1. Financial Highlights

The Company's financial performance for the Financial Year ended 31st March, 2020 is summarized below:

**(₹ In Lakhs)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue from Operations | 30,415.55 | 32,716.58 | 36,192.87 | 35,576.44 |
| Other Income | 541.12 | 506.14 | 557.84 | 601.50 |
| **Total Income** | 30,956.67 | 33,222.72 | 36,750.71 | 36,177.94 |
| **Total Expenses** | 29,241.27 | 31,169.53 | 34,810.23 | 33,830.09 |
| Share of profit in Joint Venture | - | - | - | 46.65 |
| **Profit before Tax (PBT)** | 1,715.40 | 2,053.19 | 1940.48 | 2,394.50 |
| Provision for Tax- Current | (425.00) | (695.00) | (507.52) | (763.59) |
| - Deferred | (20.87) | (18.56) | (11.44) | (14.03) |
| - Tax paid for earlier years | 0.85 | 4.43 | 0.85 | 2.49 |
| **Profit after Tax** | 1,270.38 | 1,344.06 | 1,422.37 | 1,619.37 |
| Other Comprehensive Income | (65.2) | (17.06) | (59.02) | (20.91) |
| Total comprehensive Income | 1,205.16 | 1327.00 | 1363.35 | 1598.46 |
| Non-controlling interest | - | - | 20.95 | 23.68 |
| **Balance brought forward** | 359.51 | 607.66 | 549.64 | 660.01 |
| Dividend including taxes thereon | - | 575.15 | - | 575.15 |
| General Reserve | - | (1,000.00) | - | (1,110.00) |
| **Balance carried forward** | 1564.67 | 359.51 | 1892.04 | 549.64 |

#### 1.1 State of the Company's Affairs

During the year under review, revenue from operations had marginally decreased by 7.03% approx. to ₹ 30,415.55 Lakhs in comparison to ₹ 32,716.58 Lakhs. Profit before tax decreased by 16.45% to ₹ 1,715.40 Lakhs in comparison to ₹ 2,053.19 Lakhs on account of drop in sales in the month of March, 2020 due to CoVID–19 Pandemic and the consequent lockdown restrictions imposed by the Government. Profit after tax also decreased by 5.48% approx. to ₹ 1,270.38 Lakhs in comparison to ₹ 1,344.06 Lakhs in previous Financial Year. Earnings per share for the year stood at ₹ 4.26 as compared to ₹ 4.51 in the preceding Financial Year.

Consolidated turnover stood at ₹ 36,192.87 Lakhs as compared to ₹ 35,576.44 Lakhs in the preceding Financial Year i.e. increase of 1.73% and consolidated profit after tax has decreased by 12.17% and stood at ₹ 1,422.37 Lakhs as compared to ₹ 1,619.37 Lakhs.

### 2. Details of material changes from the end of the financial year till the date of this report

Material changes affecting the financial position of the Company between the end of the financial year and date of this report are given below:

**GLOBAL PANDEMIC – COVID-19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc.

On March 24, 2020, the Government of India imposed a nationwide lockdown / curfew which were extended from time to time to prevent community spread of COVID-19. This has adversely affected the businesses in India with the consequences of significant reduction in economic activities. The Company is keeping a close watch over its activities and operations to ensure that it can meet the challenges to the best extent possible; and has considered the external and internal information while assessing the recoverability of Company's assets such as investments, trade receivables etc.

**2.1** There was no change in the nature of the business of the Company, which is engaged in the business of distribution of auto spare parts across India.

**2.2 Capital Expenditure incurred during the year and its impact on the liquidity of the Company**

No capital expenditure, having any impact on the liquidity of the Company, has been incurred during the Financial Year 2019-20.

**3. Alteration in Accounting Policies as per IND AS**

During the year under review, there was no change in Accounting Policies of the Company, which are in consonance with IND AS.

**4. Consolidated Accounts**

Consolidated Financial Statements are prepared in accordance with the provisions of the Companies Act, 2013 read with IND AS 110 – Consolidated Financial Statements, IND AS 28 – Investment in Associates and Subsidiary. Consolidated Financial Statements for the Financial Year 2019-20 forms part of this Annual Report.

A statement in Form AOC-1 containing the salient features of the financial statements of associate companies and material subsidiary company is annexed **("Annexure – 1").** Consolidated Financial Statements have been prepared on the basis of audited annual financial statements of your Company and its associate companies and material subsidiary company.

**5. Dividend**

The Company has a track record of declaration of dividend. The Board of Directors has recommended, for the financial year 2019-20, a dividend of INR 01/- (i.e. 50% percent per equity share) per equity share of INR 02/- each on the paidup equity share capital of INR 5,96,36,100/- amounting to INR 2,98,18,050/-. Considering the dividend is now subject to Tax Deduction at Source therefore the Board has recommended a higher dividend rate i.e. @ 50% (previous year @ 40%). The dividend payment is subject to approval of the members at ensuing Annual General Meeting, which will be paid, if declared, to the shareholders within 30 days from the date of declaration.

**5.1 Transfer of unclaimed dividend into Investor Education & Protection Fund (IEPF)**

In accordance with the provisions of Section 124 of the Companies Act, 2013, unclaimed dividend for the Financial Year 2012-13, aggregating to INR 8,74,686/- lying with the Company for a period of seven (07) years was transferred, to the Investor Education and Protection Fund established by the Central Government.

**5.2 Uncashed / Unclaimed Dividend(s)**

Details of uncashed / unclaimed dividends commencing from Financial Year 2013-14 are as under:

**(₹ in Lakhs)**

| Financial Year | Type of Dividend | Dividend Per Share | Date of Payment | Due Date for Transfer | Amount of Unclaimed Dividend on 31st March, 2020 |
|---|---|---|---|---|---|
| 2013-14 | Interim | INR 4/- | 28.02.2014 | 19.03.2021 | 11.54 |
| 2014-15 | Interim | INR 4/- | 05.02.2015 | 26.02.2022 | 11.80 |
| 2015-16 | Interim | INR 4/- | 29.02.2016 | 18.03.2023 | 15.66 |
| 2016-17 | Interim | INR 4/- | 28.02.2017 | 15.03.2024 | 18.07 |
| 2017-18 | Final | INR 4/- | 08.10.2018 | 01.11.2025 | 15.81 |
| 2018-19 | Interim | INR 4/- | 28.02.2019 | 14.03.2026 | 11.25 |

Shareholder(s) who has / have not encashed the dividend(s) is/are requested to do so or approach the Company / Registrar & Transfer Agent, before these are statutorily transferred to Investor Education and Protection Fund Authority.

**5.3** List of shareholder(s) who have not claimed their dividends (Interim / Final) is uploaded on website of the Company vide link: http://jmaindia.com/download/Unpaid-Dividend-Data-upto-2018-19-as-on-27092019.pdf

**5.4** SEBI has, vide its circular dated April 20, 2018, mandated the transfer of unpaid dividend directly to the Bank Account of Shareholders. Shareholders are therefore advised to register / update their Bank details with the Company's Registrar and Share Transfer Agent.

**5.5 Transfer of shares to Investor Education and Protection Fund Suspense Account**

Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is under process to transfer all shares in respect of which dividend(s) has / have not been paid / claimed by the shareholders for seven consecutive years or more into the Investor Education and Protection Fund Suspense Account ("IEPF Suspense Account").

Details of shares which are required to be transferred into IEPF suspense account can be downloaded from website of the Company vide link: http://jmaindia.com/download/List-of-Shareholders-Identified-for-Transfer-of-Their-Shares-to-The-IEPF-Authority-FY-2012-13.pdf.

**5.6** Shareholders who have not claimed / encashed dividends for the past seven consecutive years are advised to claim their dividend before these are statutorily transferred into IEPF. Details of dividend transferred into IEPF may be downloaded / checked from the website of IEPF Authority.

**6. Transfer to Reserves**

**6.1** No amount was transferred to General Reserve during the Financial Year 2019-20.

**6.2** An amount of ₹ 1,564.66 Lakhs is proposed to be carried forward as retained earnings.

**7. Subsidiary and Associate Companies**

As at 31st March, 2020, your Company has one material subsidiary and two associate companies, as per details given hereunder:

a) JMA Marketing Limited (Formerly known as JMA Rane Marketing Limited)
(CIN: U51909DL1991PLC042645) – Material Subsidiary;

b) Jullundur Auto Sales Corporation Limited
(CIN: U34101DL1959PLC003066) – Associate; and

c) ACL Components Limited
(CIN: U32204HR1985PLC049478) - Associate

Above material subsidiary & associates companies are inter-alia engaged in the business of distribution of auto spare parts in different regions of India.

**7.1 Material Subsidiary**

Pursuant to the notification of SEBI bearing no SEBI/LED-NRO/GN/2018/10 dated 09th May, 2018, JMA Marketing Limited (Formerly known as JMA Rane Marketing Limited) has been considered and defined as Material Subsidiary w.e.f. 01st April, 2019, in terms of policy of the Company on Material Subsidiary, which is uploaded on the Company's website vide link: http://jmaindia.com/download/Material-Subsidiary-Policy.pdf.

**7.2** Annual Audited Accounts of Associates and Subsidiary companies are available at the registered office of the Company and will be provided to the member(s), if interested, to obtain the same. Audited Annual Financial Statements of subsidiary company are also available on website of the Company i.e. www.jmaindia.com.

**7.3** Minutes, Financial Statements, investment proposals / decisions and significant transactions / arrangements are being placed before the Board of the Company in terms of provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Policy of the Company on Material Subsidiary.

**7.4** Report on performance of Material Subsidiary and business details are given in Management Discussion and Analysis Report**.**

**8. Public Deposits**

During the Financial Year ended 31st March, 2020, the Company has not accepted any deposit falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

**9. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are not applicable to the Company during the year under review. There was no inflow and outflow during the Financial Year 2019-20.

**10. Changes in Capital Structure**

As at 31st March, 2020, Authorized Share Capital was ₹ 10,00,00,000/- ( Ten Crores only) divided into 5,00,00,000 (Five Crore) equity share of ₹ 02/- each. Paid-up share capital of the Company was ₹ 5,96,36,100/- ( Five Crore Ninety Six Lakh Thirty Six Thousand and One Hundred Only) divided into 2,98,18,050 equity shares of ₹ 02/- each, fully paid-up.

**10.1** There has been no change in Share Capital as compared to the previous Financial Year.

**10.2** The Company has only one class of equity shares.

**10.3** The Company has not issued any equity shares with differential rights.

**10.4 Sub-Division of Equity Shares**

During the Financial Year 2019-20, shareholders of the Company in their Extra-ordinary General Meeting held on 25th April, 2019, had accorded their consent for the Sub-division of one (01) equity share of face value ₹ 10/- each into five (05) equity shares of face value ₹ 02/- each, thereby increasing the number of equity shares from 59,63,610 equity shares of face value ₹ 10/- each to 2,98,18,050 equity shares of ₹ 02/- each, fully paid-up, not resulting any change in issued, subscribed and paid-up capital of the Company.

**11. Related Party Transactions**

All contracts / arrangements / transactions entered by the Company with related parties were in ordinary course of the business and at arm's length basis.

All transactions with related parties were reviewed and approved by the Audit Committee and the Board and are in accordance with the policy on related party transactions formulated by the Company. Said policy is also uploaded on the Company's website vide link: http://jmaindia.com/download/Policy-on-Materiality-of-Related-Party-Transactions.pdf .

There are no material significant related party transactions that may have potential conflict of interest with interest of the Company at large. The details of related party transactions as per IND AS – 24 are set out in the notes of accounts of the Audited Annual Financial Statements of the Company.

Form AOC-2, as required under Section 134 (3) (h) of the Companies Act, 2013, containing the details of related party transactions is annexed **(Annexure-2).**

In compliance with the Accounting Standard on Related Party Disclosures, details of Related Party Transactions executed during the Financial Year under review are given in notes to accounts of annual audited financial statements forming part of this Annual Report.

**12. Extract of Annual Return**

Form MGT-9 providing an extract of the Annual Return as prescribed under Section 92 of the Companies Act,2013 and read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, is annexed (Annexure - 3) to this Board's Report, which has been uploaded and also available on website of the Company under the link: http://jmaindia.com/download/annual_reports/financial_reports_2019-20/MGT-9-for-the-Financial-Year-2019-20.pdf. Annual Return of the Company as per Section 92 of the Companies Act, 2013 is also available on website of the Company under the link: http://jmaindia.com/download/annual_reports/financial_reports_2019-20/Annual-Return-2018-19.pdf.

**13. Directors and Key Managerial Personnel**

**13.1 Certificate on Non-disqualification of directors**

Pursuant to the provisions of regulation 34(3) and Schedule V of Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from company secretary in practice that none of the directors on the Board of the Company has 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 statutory authority(ies).

**13.2 Directors retiring by rotation**

In accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company,

Shri Virat Sondhi (DIN: 00092902) and Shri Deepak Arora (DIN: 00093077) Directors of the Company, retire by rotation at the ensuing Annual General Meeting and each being eligible, offers himself for re-appointment.

**13.3 Appointment and Resignation of the directors**

**13.3.1 Resignation**

Shri Sanjay Saigal (DIN: 06883322), Non-executive Independent Director and Shri Kamal Luthra (DIN: 08380192) Non-executive Independent Director, vide their resignation letters dated 05th March, 2020 and 16th June, 2020 respectively, had resigned from the Board of the Company with immediate effect.

**13.3.2 Appointment**

There was no appointment of any Director made during the financial year 2019-20.

**13.3.3** There was no other change in the composition of Board of Directors of the Company, during the Financial Year under review.

**13.4 Re-appointment / Confirmation of appointment**

**13.4.1 Expiry of term of Shri Virat Sondhi as MD and Shri Deepak Arora as JMD**

Shri Virat Sondhi, Managing Director ("MD") and Shri Deepak Arora, Joint Managing Director ("JMD") were appointed by the Shareholders of the Company in their 66th Annual General meeting held on 28th September, 2015, for a period of 5 (five) years w.e.f. 01st April, 2015 to 31st March, 2020. The term of Shri Virat Sondhi as MD and Shri Deepak Arora as JMD of the Company expired on 31st March, 2020. However, after expiry of their term as MD and JMD, Shri Virat Sondhi and Shri Deepak Arora continued to be on the Board of the Company in the capacity of Non-executive Director, and their office is liable to retire by rotation in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

The Board of Directors in their meeting held on 11th February, 2020, had formed a Sub-committee to look into the internal working of the Company. The Sub-committee placed its interim recommendations before the Board of Directors ("Board") at their meeting held on 13th March, 2020, (duly intimated to National Stock Exchange of India Limited vide letter dated 13th March, 2020). The said Sub-Committee placed its final recommendations before the Board at their meeting held on 20th May, 2020, which were unanimously accepted by the Board and are being implemented.

The Sub-committee's recommendations, inter-alia, were that the tenure and terms of contract of the MD and JMD which expired on 31st March, 2020, be not continued or extended, nor their contracts renewed for further period as such and that the Board of Directors should assume a greater role, with preponderant involvement in its affairs, while recommending that the Company be headed by an officer designated as a CEO, as the Key Managerial Personnel of the Company.

**13.4.2 Re-appointment of Non-executive Director, who has attained the age of 75 Years**

Pursuant to the notification of Securities and Exchange Board of India bearing No SEBI/LAD-NRO/GN/2018/10 dated 09th May, 2018, approval of shareholders by way of special resolution is required for appointment / re-appointment for those non-executive directors, who have attained the age of 75 years w.e.f. 01st April, 2019.

Shri Virat Sondhi Non-executive Director has already attained the age of 75 years and his continuation of appointment shall require the approval of shareholders by way of passing Special Resolution, in terms of aforesaid notification.

Detailed profiles of re-appointee directors are given at Note 24 to the notes annexed with Notice of Annual General Meeting together with justification / rationale for such appointment / re-appointment.

Accordingly, your directors recommend the re-appointment of retiring directors (including confirmation for non-executive director who has already attained the age of 75 years).

**13.5 Key Managerial Personnel**

In accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of Key Managerial Personnel are as under:

i) Shri Virat Sondhi, Managing Director (up to 31st March, 2020);

ii) Shri Deepak Arora, Joint Managing Director (upto 31st March, 2020)

iii) Shri Varoon Malik, Chief Executive Officer, w.e.f. 01st June, 2020

iv) CA Narinder Pal Singh, Chief Financial Officer;

v) CS Sachin Saluja, Company Secretary (upto 14th November, 2019); and

vi) CS Ramkesh Pal, Company Secretary, w.e.f. 14th November, 2019

**13.5.1 Appointment of Chief Executive Officer (CEO)**

The Board of Directors of the Company at their meeting held on 25th May, 2020 re-designated Shri Varoon Malik as Chief Executive Officer ("CEO") and Key Managerial Personnel of the Company w.e.f. 01st June, 2020, who was working with the Company as Chief Operating Officer ("COO"), in accordance with the approval obtained from the members of the Company at their Extra-ordinary General Meeting ("EGM") held on 20th December, 2018, on the existing remuneration and other terms and conditions as per approval of the Board.

Upon such re-designation, Shri Varoon Malik is considered as the Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Detailed profile of CEO is given at Note 24 to the notes annexed with Notice of Annual General Meeting together with justification / rationale for such appointment.

Accordingly, your directors recommend the confirmation of appointment of Chief Executive Officer.

**13.5.2 Appointment and Resignation of the KMP**

**13.5.2.1 Resignation**

During the year under review, CS Sachin Saluja, Company Secretary and Compliance Officer of the Company, vide his resignation letter dated 14th November, 2019, has resigned from the Company with immediate effect.

**13.5.2.2 Appointment**

During the year under review, CS Ramkesh Pal has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 14th November, 2019.

**13.6** Details of remuneration paid to Key Managerial Personnel together with other information as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 197 of the Companies Act, 2013 are given in this Report and annexures thereof.

**14. Declaration by Independent Director(s)**

All Independent Directors have furnished declarations that they meet the criteria of independence and they have registered their names in the Independent Directors' Databank as laid down under Section 149(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**15. Board Meetings**

**15.1. Number of Board Meetings**

During the year under review, your Board of Directors met 08 (Eight) times, details of which along with attendance of the Directors in such meetings are provided in the Corporate Governance Report.

**15.2. Annual Evaluation**

Board of Directors of your Company has carried out its own annual performance evaluation and also of the directors individually, as well as that of working of the Committees, in accordance with the provisions of the Companies Act, 2013 read with applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

**16. Separate meeting of Independent Directors**

During the Financial Year 2019-20, a separate meeting of Independent Directors was held on 22nd January, 2020 to consider:

i) Performance of Non-Independent Directors and the Board as a whole;

ii) Performance of the Chairman of the Company, taking into account of the views of Executive Directors and Non-executive Directors; and

iii) Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**17. Directors Responsibility Statement**

In terms of 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 the preparation of the annual financial statements for the year ended 31st March 2020, all the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they 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 of the Company for that period;

c) they have 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) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. Auditors**

**18.1 Statutory Auditors**

M/s Aiyar & Co., Chartered Accountants (Firm Regn No. 001174N), New Delhi-110001, were appointed as Statutory Auditors of the Company for a period of five years in the 68th Annual General Meeting, to hold office till the conclusion of 73rd Annual General Meeting.

Statutory Auditors have confirmed their eligibility as required under Section 139, 141 of the Companies Act, 2013 and the rules made thereunder, to continue and hold office as auditors.

**18.2** An amount of INR 8,91,447/- had been paid to Statutory Auditors of the Company on a consolidated basis, for all the services obtained from them including fee to carry out statutory audit for the Financial Year 2019-20.

**18.3 Report of Auditors**

Reports of Statutory Auditors on Audited Annual Financial Statements (Standalone and Consolidated) for the Financial Year ended on 31st March, 2020 are self-explanatory and do not contain any qualification(s), reservation(s) or adverse remark(s) or disclaimer, which call for any comment(s) from the Board of Directors as required under Section 134 of the Companies Act, 2013.

**18.3.1 Fraud Reporting**

During the year under review, no incidence of fraud has been reported by the Auditors to Audit Committee of the Board.

**18.3.2 Report on Internal Financial Controls on Financial Reporting**

In the opinion of Statutory Auditors, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control systems over financial reporting were operating effectively as at 31st March, 2020. Reference may be made to **"Annexure – B"** of Independent Auditors Report.

**19. Secretarial Auditors and their report**

Your Board of Directors has appointed M/s Vijay K. Singhal & Associates, Company Secretaries, as Secretarial Auditors to carry out Secretarial Audit of the Company and its Material Subsidiary i.e. JMA Marketing Limited for the Financial Year 2019-20. Based on the audit carried out by Secretarial Auditors, they have submitted their report(s), which is annexed herewith as **(Annexure-4)** & **(Annexure-4A)** and forms part of this Boards' Report. Report of Secretarial Auditors is self-explanatory and does not contain any qualification, reservation or adverse remark.

**19.1 Annual Secretarial Compliance Report**

The Company has obtained Annual Secretarial Compliance Report ("Compliance Report") for the Financial Year 2019-20 from a Company Secretary in Practice, which does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer. Compliance Report has also been furnished before the Board and submitted with National Stock Exchange of India Limited within prescribed time limit.

**20. Compliance with Secretarial Standards**

Your Company has complied with the provisions of applicable Secretarial Standard I and Secretarial Standard II, issued and notified by Institute of Company Secretaries of India (ICSI).

**21. Adequacy of Internal Financial Controls**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the IND AS and the Companies Act 2013.

An extensive risk based programme of internal audit and management reviews provides assurance to the Board regarding the adequacy and efficacy of internal controls. The internal audit plan is also aligned to the business objectives of the Company. M/s Bhatia & Bhatia, Chartered Accountants, Internal Auditors, in addition, looked after the Internal Financial Controls over Financial Reporting and reported to the Board that Internal Financial Controls are adequate and operating effectively.

**22. Cost Audit**

Since your Company is engaged into the business of trading of auto spare parts i.e. trading business, maintenance of cost records as specified by the Central Government under Section 148 of the Companies Act, 2013 and rules made thereunder, are not applicable.

**23. Audit Committee**

In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a qualified and independent Audit Committee, details of composition of which are given in Corporate Governance Report attached with this report**.** CA Mohindar Mohan Khanna, Independent Director, is a permanent Chairman of the Audit Committee. All recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

**24. Vigil Mechanism**

In accordance with Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Whistle Blower – cum - Vigil Mechanism Policy for the Directors and the Employees as adopted by the Board, is in place and implemented. Details of aforesaid policy are given in the Corporate Governance Report. Such policy has also been uploaded on the website of the Company vide link: http://jmaindia.com/download/Vigil-Mechanism-cum-Whistle-Blower-Policy.pdf.

**25. Particulars of loans, guarantee or investments under Section 186 of the Companies Act, 2013 & Rules made thereunder**

Your Company has not given any loans or guarantees. Investments in other body corporates made during the year under review were within the ambit of Section 186 of the Companies Act, 2013; this fact has been disclosed in the notes to the annual audited financial statements given in this Annual Report.

**26. Nomination and Remuneration Policy**

Your Company has Nomination and Remuneration Policy in place for selection, appointment and remuneration of the Directors, Key managerial personnel and senior management employees of the Company. The Company's remuneration policy is driven by the success and performance of the individual employee and growth of the Company. Such policy has also been uploaded on website of the Company vide link: http://jmaindia.com/download/Nomination-and-Remuneration-Policy.pdf.

**27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is annexed **(Annexure-5)**.

**28. Corporate Governance Report and CEO & CFO Certification**

A detailed Corporate Governance Report and CEO & CFO Certificate forms part of this Board's Report and is annexed with this Annual Report.

**29. Risk Management Framework**

Pursuant to the requirement of the Companies Act, 2013 & rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a well-defined Risk Management Policy. Your Company recognizes risk management as an integral component of good corporate governance and

fundamental in achieving its strategic and operational objectives. The policy is intended to improve decision-making, define opportunities and to mitigate material events that may impact shareholder value. Your Company also takes adequate insurance to protect its assets.

**30. Internal Control Systems**

The Company has effective and adequate internal control systems covering all areas of operations. The Internal control system provides for well documented policies/guidelines, authorizations and approval procedures. The Internal control system provides a reasonable assurance with regard to maintaining of proper accounting controls, protecting assets from un-authorized use and compliance of statutes.

Such internal control system is also reviewed for its adequacy and effectiveness through internal audit carried out at various locations.

**31. Internal Auditors and reporting**

M/s Bhatia & Bhatia, Chartered Accountants, upon cessation of the previous internal auditors M/s Wadhwa Ishant & Associates, were appointed on 13th August, 2019, to conduct the internal audit for the Financial Year 2019-20. Internal audit ensures that the systems designed and implemented, provide reasonable assurances to the adequacy of the internal controls commensurate with the size and operations of the Company. The observations, arising out of audit, are periodically reviewed and compliances ensured.

Internal Auditors are directly reporting to the Audit Committee. The summary of the Internal Audit observations and the status on implementation of corrective actions are reported to the Audit Committee for their review.

**32. Corporate Social Responsibility Initiatives**

During the Financial Year ended on 31st March, 2020, the Company has incurred CSR expenditure of INR 39.35 Lakhs. CSR initiatives taken were under the thrust areas of health & hygiene, education, and disaster management for the spread of novel Corona Virus (COVID-19) Pandemic. Annual Report on the CSR activities undertaken by the Company are annexed **(Annexure – 6)** to this report.

**33. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company's policy on prevention of sexual harassment at work place is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder an Internal Complaint Committee has been set up to receive & redress the complaints regarding sexual harassment under the aforesaid Act. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

There was no complaint received from any employee during the Financial Year 2019-20 and hence, no complaint is outstanding as at the end of the year for redressal.

**34. Prevention of Insider Trading**

The Board of Directors have formulated "JMA Code to regulate, monitor and report trading by insiders and practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure of practices and procedures for unpublished price sensitive information is available at http://jmaindia.com/download/Code-of-Practice-and-Procedure-for-Fair-Disclosure-of-UPSI.pdf

**35. Human Resources**

At the end of March 2020, the total employee strength was 508. The Company's focus is to drive each employee to be more focused and productive. Regular training programs at various levels are in operation. Incentives are given wherever required to motivate staff to meet Company's overall objectives.

**36. Remuneration Disclosures**

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed (**Annexure-7)** to this Report.

**37. Orders passed by regulators / courts / tribunals**

No orders have been passed by the regulators, courts, tribunals etc., against the Company, which adversely impact the financial position, going concern status of the Company and its future operations.

**Acknowledgment**

The Directors wish to convey their thanks to various Central and State Government departments, Organizations and Agencies for the continued help and co-operation extended by them.

The Directors would also like to thank the Shareholders, Customers, Bankers, Suppliers, Manufactures and all other stakeholders for their continuous support given by them to the Company and their confidence in its management. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of
Jullundur Motor Agency (Delhi) Limited

Sd/-
Subhash Chander Vasudeva
Chairman
(DIN: 00055588)

Place: Gurugram
Date: 18th August, 2020

**Annexure - 1**

**Form AOC-1**

(Pursuant to 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**

**(₹ in Lakhs)**

| S. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the subsidiary | JMA Marketing Limited (Formerly known as JMA Rane Marketing Limited) |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01st April to 31st March |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR / Rs |
| 4 | Share capital | 73.51 |
| 5 | Reserves & surplus | 2,488.96 |
| 6 | Total Assets | 3,275.56 |
| 7 | Total Liabilities | 3,275.56 |
| 8 | Investments | - |
| 9 | Turnover | 5,164.01 |
| 10 | Profit before taxation | 240.13 |
| 11 | Provision for taxation | 58.40 |
| 12 | Profit after taxation | 181.73 |
| 13 | Dividend Paid | 44.10 |
| 14 | % of shareholding | 97.94% |
| Names of subsidiaries which are yet to commence operations | | Not Applicable |
| Names of subsidiaries which have been liquidated or sold during the year. | | Not Applicable |

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**(₹ in Lakhs)**

| Name of associates/Joint Ventures | Jullundur Auto Sales Corporation Limited (Associate Company) | ACL Components Limited (Associate Company) |
|---|---|---|
| Latest audited Balance Sheet Date | 31st March, 2020 | 31st March, 2020 |
| Shares of Associate/Joint Ventures held by the company on the year end | | |
| a) No.; | 204,762 | 93,620 |
| b) Amount of Investment in Associates/Joint Venture; and | 27.51 | 8.39 |
| c) Extend of Holding% | 49.72% | 46.55% |
| Description of how there is significant influence | Holding more than 20% of the paid share capital | |
| Reason why the associate/joint venture is not consolidated | Consolidation has been done | |
| Net worth attributable to shareholding as per latest audited Balance Sheet | 87.93 | 35.95 |
| Profit/Loss for the year | | |
| i. Considered in Consolidation | 17.92 | 1.12 |
| ii. Not Considered in Consolidation | 17.72 | 1.47 |
| Names of associates or joint ventures which are yet to commence operations | | Not Applicable |
| Names of associates or joint ventures which have been liquidated or sold during the year | | Not Applicable |

**Annexure –2**

**Form No. AOC-2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

| S. No. | Particulars | Details |
|---|---|---|
| **1.** | **Details of contracts or arrangements or transactions not at arm's length basis** | |
| a) | Name(s) of the related party and nature of relationship | Not Applicable |
| b) | Nature of contracts/arrangements/transactions | |
| c) | Duration of the contracts / arrangements/transactions | |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions | |
| f) | date(s) of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |
| **2.** | **Details of material contracts or arrangement or transactions at arm's length basis** | |
| a) | Name(s) of the related party and nature of relationship | Not Applicable |
| b) | Nature of contracts/arrangements/transactions | |
| c) | Duration of the contracts / arrangements/transactions | |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | |
| e) | Date(s) of approval by the Board, if any: | |
| f) | Amount paid as advances, if any: | |
| **3.** | **Details of related party transactions which are in ordinary course of the business and also are at arm's length basis** | |
| a) | Name(s) of the related party and nature of relationship | 1) Smt. Aditi Arora Malik – Promoter;<br>2) Ms. Aashna Arora - Promoter;<br>3) Shri Varoon Malik - Promoter;<br>4) Jullundur Auto Sales Corporation Ltd - Promoter;<br>5) SCV & Co. LLP<br>CA Subhash Chander Vasudeva – Partner<br>6) The Yamuna Syndicate Ltd - Shri Ranjit Puri- Director |
| b) | Nature of contracts/arrangements /transactions | 1) Appointment to office or place of profit: –<br>- Smt Aditi Arora Malik;<br>- Ms Aashna Arora; and<br>- Shri Varoon Malik<br>2) Lease of property –<br>- Jullundur Auto Sales Corporation Ltd<br>3) Tax Advisory Services –<br>- S C V & Co. LLP<br>4) Sale of Goods/ Material:-<br>- The Yamuna Syndicate Ltd |
| c) | Duration of the contracts / arrangements/ transactions | Ongoing |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per Special Resolutions passed by shareholder, wherever applicable, and terms and conditions approved by the Audit Committee and the Board of Directors. |
| e) | Date(s) of approval by the Board, if any: | Omnibus approval has been obtained in Board Meeting held on 12th February, 2019 for all of the above transactions; |
| f) | Amount paid as advances, if any: | N.A. |

**Annexure-3**

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2020**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014**

## I REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| I | CIN | L35999HR1998PLC033943 |
| II | Registration Date | 07th September, 1949 |
| III | Name of the Company | Jullundur Motor Agency (Delhi) Limited |
| IV | Category/Sub-category of the Company | Public Company Limited by Shares |
| V | Address of the Registered office & contact details | 458-1/16, Sohna Road, Opposite New Court, Gurugram- 122001, Haryana, INDIA<br>Phone No.:+91-124-3019210, 211; Fax No. +91-124-4233868<br>Website: www.jmaindia.com; Email id: info@jmaindia.com |
| VI | Whether listed company | Yes<br>National Stock Exchange of India Limited; |
| VII | Name, Address & contact details of the Registrar & Transfer Agent, if any. | MAS Services Limited<br>T-34, 2nd Floor, Okhla Industrial Area, Phase - II, Delhi - 110020, Delhi, INDIA<br>Phone No.: +91-11-26387281,82,83; Fax No. +91-11-26387384<br>Website:www.masserv.com; Email id.: info@masserv.com |

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| S. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---|---|---|---|
| I | Distribution of automotive spare parts across INDIA | 453 | 100% |

## III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| S. No. | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---|---|---|---|---|---|
| 1 | JMA Marketing Limited (Formerly known as JMA Rane Marketing Limited) | U51909DL1991PLC042645 | Subsidiary (Material Subsidiary) | 97.94 | 2(6) |
| 2 | ACL Components Limited | U32204HR1985PLC049478 | Associate | 46.55 | 2(6) |
| 3 | Jullundur Auto Sales Corporation Limited | U34101DL1959PLC003066 | Associate | 49.72 | 2(6) |

## (IV) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

### i) Category wise shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 22,65,126 | - | 22,65,126 | 37.98 | 1,15,34,689 | - | 1,15,34,689 | 38.68 | 0.70 |
| b) Central Govt/ State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | 41,242 | - | 41,242 | 0.69 | - | - | - | - | (0.69) |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **SUB TOTAL:(A) (1)** | **23,06,368** | **-** | **23,06,368** | **38.67** | **1,15,34,689** | **-** | **1,15,34,689** | **38.68** | **0.01** |
| **(2) Foreign** | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| b) | Other Individuals | - | - | - | - | - | - | - | - | - |
| c) | Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) | Banks/FI | - | - | - | - | - | - | - | - | - |
| e) | Any other | - | - | - | - | - | - | - | - | - |
| | **SUB TOTAL (A) (2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **-** |
| | **Total Shareholding of Promoter (A)=(A)(1)+(A)(2)** | **23,06,368** | **-** | **23,06,368** | **38.67** | **1,15,34,689** | **-** | **1,15,34,689** | **38.68** | **0.01** |
| **B.** | **Public Shareholding** | | | | | | | | | |
| (1) | Institutions | | | | | | | | | |
| a) | Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) | Banks/FI | 280 | 0 | 280 | 0.005 | 1,400 | 0 | 1,400 | 0.005 | - |
| C) | Central Govt. | - | - | - | - | - | - | - | - | - |
| d) | State Govt. | - | - | - | - | - | - | - | - | - |
| e) | Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) | Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) | FIIs | - | - | - | - | - | - | - | - | - |
| h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) | Others (specify) | - | - | - | - | - | - | - | - | - |
| | **SUB TOTAL (B)(1):** | **280** | **0** | **280** | **0.005** | **1,400** | **0** | **1,400** | **0.005** | **0** |
| **(2)** | **Non Institutions** | | | | | | | | | |
| a) | Bodies corporate | | | | | | | | | |
| i) | Indian | 1,28,189 | 525 | 1,28,714 | 2.16 | 2,28,470 | 2,370 | 2,30,840 | 0.77 | (1.39) |
| ii) | Overseas | - | - | - | - | - | - | - | - | - |
| b) | Individuals | | | | | | | | | |
| i) | Individual shareholders holding nominal share capital upto ₹ 1 lakhs | 11,63,052 | 5,24,726 | 16,87,778 | 28.30 | 61,99,676 | 22,11,400 | 84,11,076 | 28.21 | (0.09) |
| ii) | Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 10,01,903 | 4,43,890 | 14,45,793 | 24.24 | 55,11,621 | 21,56,570 | 76,68,191 | 25.72 | 1.48 |
| | NBFCs registered with RBI | 470 | - | 470 | 0.008 | 350 | - | 350 | 0.001 | (0.007) |
| c) | Others (specify) | - | | | | | | | | |
| | Non Resident Indians | 2,51,025 | 72,600 | 3,23,625 | 5.43 | 12,62,280 | 3,63,250 | 16,25,530 | 5.451 | 0.021 |
| | Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| | Clearing Member | 6,872 | - | 6,872 | 0.11 | 19,044 | - | 19,044 | 0.063 | (0.047) |
| | IEPF | 63,710 | - | 63,710 | 1.07 | 3,26,930 | - | 3,26,930 | 1.096 | 0.026 |
| | Hindu Undivided Families | - | - | - | - | - | - | - | - | - |
| | **SUB TOTAL (B)(2):** | **26,15,221** | **10,41,741** | **36,56,962** | **61.32** | **1,35,48,371** | **47,33,590** | **1,82,81,961** | **61.31** | **(0.01)** |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **26,15,501** | **10,41,741** | **36,57,242** | **61.33** | **1,35,49,771** | **47,33,590** | **1,82,83,361** | **61.32** | **(0.01)** |
| **C.** | **Shares held by Custodian for GDRs & ADRs** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Grand Total (A+B+C)** | **49,21,869** | **10,41,741** | **59,63,610** | **100** | **2,50,84,460** | **47,33,590** | **2,98,18,050** | **100** | **-** |

*Note: During the FY 2019-20, Equity Shares of the Company have been sub-divided from one (1) fully paid-up Equity Share of Rs. 10/- each to five (5) fully paid-up Equity Share of ₹ 2/- each, thus increasing the number of equity shares from 59,63,610 Equity Shares to 2,98,18,050 Equity Shares.*

**(ii) Shareholding of Promoters**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | % change in shareholding during the year |
| 1 | Shri Virat Sondhi | 11,41,504 | 19.14 | N.A. | 57,42,520 | 19.26 | N.A. | 0.12 |
| 2 | Shri Deepak Arora | 2,32,750 | 3.90 | N.A. | 13,07,809 | 4.39 | N.A. | 0.48 |
| 3 | Mrs. Santosh Sondhi | 3,02,276 | 5.07 | N.A. | 15,11,380 | 5.07 | N.A. | NIL |
| 4 | Mrs. Shuchi Arora | 3,68,514 | 6.18 | N.A. | 18,42,570 | 6.18 | N.A. | NIL |
| 5 | Mrs. Aditi Arora Malik | 80,522 | 1.35 | N.A. | 4,22,610 | 1.42 | N.A. | 0.07 |
| 6 | Ms. Aashna Arora | 77,154 | 1.29 | N.A. | 3,95,770 | 1.33 | N.A. | 0.03 |
| 7 | Shri Navneet Arora | 20,358 | 0.34 | N.A. | 1,01,790 | 0.34 | N.A. | NIL |
| 8 | Mrs. Manisha Kapoor | 28,368 | 0.48 | N.A. | 1,41,840 | 0.48 | N.A. | NIL |
| 9 | Virat Sondhi HUF | 9,180 | 0.15 | N.A. | 45,900 | 0.15 | N.A. | NIL |
| 10 | Jullundur Auto Sales Corporation Limited | 41,242 | 0.69 | N.A. | Nil | Nil | N.A. | (0.69) |
| 11 | Shri Varoon Malik | 4,500 | 0.08 | N.A. | 22,500 | 0.08 | N.A. | NIL |
| | Total Promoters holding | 23,06,368 | 38.67 | | 1,15,34,689 | 38.68 | N.A. | 0.01 |

*Note: During the FY 2019-20, Equity Shares of the Company have been sub-divided from one (1) fully paid-up Equity Share of ₹ 10/- each into five (5) fully paid-up Equity Share of ₹ 2/- each, thus increasing the number of equity shares.*

**iii) Change in Promoters' Shareholding**

| Sl. No. | Name of Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 23,06,368 | 38.67 | - | - |
| | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) : | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 92,25,472 | - | 1,15,31,840 | 38.67 |
| | Smt Aditi Arora Malik (Market Purchase on 04th September, 2019) | 20,000 | 0.07 | 1,15,51,840 | 38.74 |
| | Ms Aashna Arora (Market Purchase on 04th September, 2019) | 10,000 | 0.03 | 1,15,61,840 | 38.77 |
| | Shri Virat Sondhi (Market Purchase on 04th September, 2019) | 35,000 | 0.12 | 1,15,96,840 | 38.89 |
| | Shri Deepak Arora (Market Purchase on 04th September, 2019) | 1,40,000 | 0.47 | 1,17,36,840 | 39.36 |
| | Shri Deepak Arora (Market Purchase on 05th September, 2019) | 1,788 | 0.005 | 1,17,38,628 | 39.365 |
| | Shri Deepak Arora (Market Purchase on 06th September, 2019) | 1,997 | 0.007 | 1,17,40,625 | 39.37 |
| | Shri Deepak Arora (Market Purchase on 09th September, 2019) | 274 | 0.00 | 1,17,40,899 | 39.37 |
| | Jullundur Auto Sales Corporation Limited (Market sale on 04th September, 2019) | (2,06,210) | (0.69) | 1,15,34,689 | 38.68 |
| | At the end of the year | - | - | 1,15,34,689 | 38.68 |

*Note: During the FY 2019-20, Equity Shares of the Company have been sub-divided from one (1) fully paid-up Equity Share of ₹ 10/- each into five (5) fully paid-up Equity Share of ₹ 2/- each, thus increasing the number of equity shares.*

**iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)**

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | **DIPIKA CHOPRA** | | | | |
| | At the beginning of the year | 2,43,374 | 4.08 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 9,73,496 | - | 12,16,870 | 4.08 |
| | At the end of the year | - | - | 12,16,870 | 4.08 |
| 2 | **SUDHANSH MOHAN KUMAR** | | | | |
| | At the beginning of the year | 1,96,270 | 3.29 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 7,85,080 | - | 9,81,350 | 3.29 |
| | At the end of the year | - | - | 9,81,350 | 3.29 |
| 3 | **ROMILA KUMAR** | | | | |
| | At the beginning of the year | 95,984 | 1.61 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 3,83,936 | - | 4,79,920 | 1.61 |
| | At the end of the year | - | - | 4,79,920 | 1.61 |
| 4 | **ADITYA PURI** | | | | |
| | At the beginning of the year | 92,250 | 1.55 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 3,69,000 | - | 4,61,250 | 1.55 |
| | At the end of the year | - | - | 4,61,250 | 1.55 |
| 5 | **S K LAKHANPAL** | | | | |
| | At the beginning of the year | 72,600 | 1.22 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 2,90,400 | - | 3,63,000 | 1.22 |
| | At the end of the year | - | - | 3,63,000 | 1.22 |
| 6 | **SATINDER LAL PURI** | | | | |
| | At the beginning of the year | 62,962 | 1.06 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 2,51,848 | - | 3,14,810 | 1.06 |
| | At the end of the year | - | - | 3,14,810 | 1.06 |
| 7 | **ASHOK KUMAR JAIN** | | | | |
| | At the beginning of the year | 43,801 | 0.734 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | 26-04-2019 | 1,523 | 0.026 | 45,324 | 0.760 |
| | 17-05-2019 | 1,81,296 | - | 2,26,620 | 0.760 |
| | 14-06-2019 | 331 | 0.001 | 2,26,951 | 0.761 |
| | At the end of the year | - | - | 2,26,951 | 0.761 |

| | | | | | |
|---|---|---|---|---|---|
| **8** | **SAMARTH MOHAN SINGH** | | | | |
| | At the beginning of the year | 40,031 | 0.671 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 1,60,124 | - | 2,00,155 | 0.671 |
| | At the end of year | - | - | 2,00,155 | 0.671 |
| **9** | **SANKALP MOHAN SINGH** | | | | |
| | At the beginning of the year | 39,856 | 0.668 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 1,59,424 | - | 1,99,280 | 0.668 |
| | At the end of the year | - | - | 1,99,280 | 0.668 |
| **10** | **MEENUM MOHAN** | | | | |
| | At the beginning of the year | 24,477 | 0.410 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division of shares- 17th May, 2019 | 97,908 | - | 1,22,385 | 0.410 |
| | At the end of the year | - | - | 1,22,385 | 0.410 |

*Note: During the FY 2019-20, Equity Shares of the Company have been sub-divided from one (1) fully paid-up Equity Share of ₹ 10/- each into five (5) fully paid-up Equity Share of ₹ 2/- each, thus increasing the number of equity shares.*

**(v) Shareholding of Directors and KMP**

| Sl. No. | For Each of the Directors & KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| **1** | **VIRAT SONDHI** | | | | |
| | At the beginning of the year | 11,41,504 | 19.14 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 45,66,016 | - | 57,07,520 | 19.14 |
| | Market Purchase on 04th September, 2019 | 35,000 | 0.12 | 57,42,520 | 19.26 |
| | At the end of the year | - | - | 57,42,520 | 19.26 |
| **2** | **DEEPAK ARORA** | | | | |
| | At the beginning of the year | 2,32,750 | 3.90 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 9,31,000 | - | 11,63,750 | 3.90 |
| | Market Purchase on 04th September, 2019 | 1,40,000 | 0.47 | 13,03,750 | 4.37 |
| | Market Purchase on 05th September, 2019 | 1,788 | 0.01 | 13,05,538 | 4.38 |
| | Market Purchase on 06th September, 2019 | 1,997 | 0.01 | 13,07,535 | 4.39 |
| | Market Purchase on 09th September, 2019 | 274 | 0.00 | 13,07,809 | 4.39 |
| | At the end of the year | - | - | 13,07,809 | 4.39 |
| **3** | **SHUCHI ARORA** | | | | |
| | At the beginning of the year | 3,68,514 | 6.18 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 14,74,056 | - | 18,42,570 | 6.18 |
| | At the end of the year | - | - | 18,42,570 | 6.18 |
| **4** | **SUBHASH CHANDER VASUDEVA** | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise increase/decrease in Shareholding | Not Applicable | | | |
| | At the end of the year | - | - | Nil | Nil |

| | | | | | |
|---|---|---|---|---|---|
| **5** | **MOHINDAR MOHAN KHANNA** | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise increase/decrease in Shareholding | Not Applicable | | | |
| | At the end of the year | - | - | Nil | Nil |
| **6** | **RANJIT PURI** | | | | |
| | At the beginning of the year | 4,08,752 | 6.85 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 16,35,008 | - | 20,43,760 | 6.85 |
| | At the end of the year | - | - | 20,43,760 | 6.85 |
| **7** | **TANU PRIYA PURI** | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise increase/decrease in Shareholding | No Change | | | |
| | At the end of the year | - | - | Nil | Nil |
| **8** | **SANJEEV KUMAR** | | | | |
| | At the beginning of the year | 2,49,502 | 4.18 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 9,98,008 | - | 12,47,510 | 4.18 |
| | At the end of the year | - | - | 12,47,510 | 4.18 |
| **9** | **SARVJIT SONDHI** | | | | |
| | At the beginning of the year | 3,000 | 0.05 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 12,000 | - | 15,000 | 0.05 |
| | At the end of the year | - | - | 15,000 | 0.05 |
| **10** | **ALOK SONDHI** | | | | |
| | At the beginning of the year | 300 | 0.005 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 1,200 | - | 1,500 | 0.005 |
| | At the end of the year | - | - | 1,500 | 0.005 |
| **11** | **AVINASH CHANDER ANAND** | | | | |
| | At the beginning of the year | 3,221 | 0.05 | - | - |
| | Date wise increase/decrease in Shareholding | | | | |
| | Shares credited on account of sub-division on 17/05/2019 | 12,884 | - | 16,105 | 0.05 |
| | At the end of the year | - | - | 16,105 | 0.05 |
| **12** | **KAMAL LUTHRA** | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise increase/decrease in Shareholding | Not Applicable | | | |
| | At the end of the year | - | - | Nil | Nil |
| **13** | **NARINDER PAL SINGH (Chief Financial Officer)** | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise increase/decrease in Shareholding | Not Applicable | | | |
| | At the end of the year | - | - | Nil | Nil |
| **14** | **RAMKESH PAL (Company Secretary)** | | | | |
| | At the beginning of the year | Nil | Nil | - | - |
| | Date wise increase/decrease in Shareholding | Not Applicable | | | |
| | At the end of the year | - | - | Nil | Nil |

*Note: During the FY 2019-20, Equity Shares of the Company have been sub-divided from one (1) fully paid-up Equity Share of ₹ 10/- each into five (5) fully paid-up Equity Share of ₹ 2/- each, thus increasing the number of equity shares.*

**(V) INDEBTEDNESS**

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

**(Figs in Lakhs)**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | Not Applicable | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | | | | |
| **Change in Indebtedness during the financial year** | Not Applicable | | | |
| Additions | | | | |
| Reduction | | | | |
| Net Change | | | | |
| **Indebtedness at the end of the financial year** | Not Applicable | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | | | | |

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and or Manager**

| S. No. | Particulars of Remuneration | Name of the MD/WTD/Manager | | (₹ In Lakhs) |
|---|---|---|---|---|
| **1** | **Gross salary** | **Virat Sondhi*** | **Deepak Arora*** | **Total** |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 72.90 | 72.00 | 144.90 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0.46 | 0.41 | 0.87 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | 11.81 | 13.43 | 25.24 |
| | - others (specify) | | | |
| 5 | Others, please specify | | | |
| | a) Contribution in Provident Fund | 5.83 | 5.76 | 11.59 |
| | b) Fee for attending Board/ committee meetings | 1.40 | 0.80 | 2.20 |
| | **Total (A)** | **92.40** | **92.40** | **184.80** |
| | **Ceiling as per the Act** | **184.80 i.e. 10% of Net Profits** | | |

*Term of both Managing Director and Joint Managing Director expired on 31st March, 2020

**B. Remuneration to other directors:**

**1 Independent Directors** **(₹ In Lakhs)**

| S. No. | Particulars of Remuneration | Name of the Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | CA Subhash Chander Vasudeva | CA Mohindar Mohan Khanna | Sanjay Saigal* | Alok Sondhi | |
| (a) | Fee for attending Board/ committee meetings | 2.60 | 1.70 | 1.20 | 0.30 | 5.80 |
| (b) | Commission | - | - | - | - | - |
| (c) | Others, please specify | - | - | - | - | - |
| | **Total (1)** | **2.60** | **1.70** | **1.20** | **0.30** | **5.80** |

**2 Other Non-Executive Directors**

| S. No. | Particulars of Remuneration | Name of the Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | Avinash Chander Anand | Ranjit Puri | Sarvjit Sondhi | Sanjeev Kumar | |
| (a) | Fee for attending board committee meetings | 1.20 | 1.30 | 0.80 | 1.20 | 4.50 |
| (b) | Commission | - | - | - | - | - |
| (c) | Others, please specify | - | - | - | - | - |
| | **Total (2)** | **1.20** | **1.30** | **0.80** | **1.20** | **4.50** |

| S. No. | Particulars of Remuneration | Name of the Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | Tanu Priya Puri | Shuchi Arora | Kamal Luthra** | - | |
| (a) | Fee for attending board committee meetings | 0.50 | 0.80 | 0.80 | - | 2.10 |
| (b) | Commission | - | - | - | - | - |
| (c) | Others, please specify | - | - | - | - | - |
| | **Total (3)** | **0.50** | **0.80** | **0.80** | **-** | **2.10** |
| | **Total (B)=(1+2+3)** | **12.40** | | | | |
| | **Total Managerial Remuneration** | **197.20** | | | | |
| | **Overall Ceiling as per the Act.** | **203.28 (11% of the Net Profits including 1% for Non-executive directors)** | | | | |

* Resigned w.e.f. 05th March, 2020

** Resigned w.e.f. 16th June, 2020

**C. Remuneration of Key Managerial Personnel other than MD/Manager/WTD** **(₹ In Lakhs)**

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | **Gross salary** | **CA Narinder Pal Singh (CFO)** | **CS Sachin Saluja* (Company Secretary)** | **CS Ramkesh Pal** (Company Secretary)** | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 24.90 | 9.56 | 5.58 | 40.04 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 4.43 | 1.97 | 0.87 | 7.27 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission<br>- as % of profit<br>- others, specify | -<br>- | -<br>- | -<br>- | -<br>- |
| 5 | Others, please specify: | | | | |
| | Total | 29.33 | 11.53 | 6.45 | 47.31 |

* Resigned w.e.f. 14th November, 2019

**Appointed w.e.f. 14th November, 2019

**(VII) PENALITIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | Not Applicable | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | Not Applicable | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | Not Applicable | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**Annexure-4**

**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 of Managerial Personnel) Rules, 2014]*

To,
The Members
Jullundur Motor Agency (Delhi) Limited
458-1/16, Sohna Road, Opposite New Court,
Gurugram - 122 001, Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jullundur Motor Agency (Delhi) Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 explanations 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 hereinafter called ("audit period") 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 made available to us and maintained by the Company for the Financial Year ended on March 31, 2020 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

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

(i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosures 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. The Company has spent an amount of ₹ 39.35 Lakh against the amount of ₹ 39.31 to be spent during the year towards Corporate Social Responsibility.

**We further report that, there were no actions / events in pursuance of:**

(a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not requiring any compliance thereof by the Company during the financial year under review.

**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 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate advance notice were given to all the directors to schedule the Board Meetings, agenda and detailed notes thereof were sent at least seven days in advance from the date of meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were passed by majority and dissenting views have been incorporated in the minute book.

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

During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Vijay K. Singhal & Associates**
**Company Secretary**

**Sd/-**
**(Vijay Kumar Singhal)**
**Proprietor**
**ACS - 21089, C.P. 10385**

**Date: 13.07.2020**
**Place: Gurugram, Haryana**

**UDIN: A021089B000442323**

**Notes:**

i. This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report;

ii. The Registered Office of the Company and also, the Secretarial Auditors, both, are situated / based at DELHI NCR, one of most affected area due to CoVID-19 pandemic. Hence, Audit has been done with limited access of records and resources available with both the Company and Secretarial Auditors. Still Secretarial Audit has been done with due care and vigilance to the extent possible;

iii. Term of both, Shri Virat Sondhi and Shri Deepak Arora, ex-Managing Director and ex-Joint Managing Director respectively, expired at March 31, 2020. Moreover, the Board of Directors of the Company in their meeting held on May 20, 2020, deliberated on the matter of re-appointment of Shri Virat Sondhi and Shri Deepak Arora as Managing Director and Joint Managing Director respectively and had unanimously decided not to re-appoint both of them for further period as such. It is imperative to point out that during the audit, it has also been noticed that there were few disagreements between the Company and Shri Deepak Arora, and consequently, matter was referred to Hon'ble High Court of Delhi which is presently sub-judice. This particular point has already been reported to National Stock Exchange of India by the Company vide letter dated 04th May, 2020. This statement shall however not be treated as qualification as such from our side.

**"Annexure - A"**

To
The Members
Jullundur Motor Agency (Delhi) Limited

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

**We report that:-**

a) Maintenance of Secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

d) Where ever required, we have obtained the Management Representation about the compliances of laws, rules and regulations etc.

e) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Thanking You,**
**Yours truly,**

**For Vijay K. Singhal & Associates**
**Company Secretaries**

**Sd/-**
**(Vijay Kumar Singhal)**
**Proprietor**
**Membership No: A- 21089,**
**Certificate of Practice No.: 10385**
**UDIN: A021089B000442323**

**Date: 13.07.2020**
**Place: Gurugram, Haryana**

**Annexure-4A**

**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.09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members
JMA Marketing Limited
(Formerly known as JMA Rane Marketing Limited)
2E/5, Jhandewalan Extension, New Delhi - 110055

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JMA Marketing Limited hereinafter** called **"the Company**". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 explanations 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 hereinafter called ("audit period") 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 made available to us and maintained by the Company for the Financial Year ended on March 31, 2020 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

**We further report that, there were no actions / events in pursuance of:**

(a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Board of Directors of the Company is constituted of Non-Executive Directors only.

Adequate advance notice were given to all the directors to schedule the Board Meetings, agenda and detailed notes thereof were sent at least seven days in advance from the date of meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were passed unanimously by the Board.

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

During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations,

guidelines etc. which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Company has terminated its Joint Venture with M/s Rane Group of Madras in the F.Y. 2018-19 resulting in Company becoming material subsidiary of Jullundur Motor Agency (Delhi) Limited as on March 31, 2019. Company has applied for Merger u/s 230-232 of the Companies Act, 2013 of M/s ACL Components Limited, M/s JMA E-Comm Private Limited and M/s Jullundur Auto Sales Corporation Limited with itself. Application to this effect has been filed before Hon'ble NCLT New Delhi Bench and NCLT Chandigarh Bench.

**For Vijay K. Singhal& Associates**
**Company Secretaries**

**Sd/-**
**(Vijay Kumar Singhal)**
**Prop / Practicing Company Secretary**
**ACS- 21089**
**C. P. 10385**
**UDIN: A021089B000442356**

**Date: 13.07.2020**
**Place: Gurugram, Haryana**

This Report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members
JMA Marketing Limited
(Formerly known as JMA Rane Marketing Limited

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

**We report that:-**

a) Maintenance of Secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

d) Where ever required, we have obtained the Management Representation about the compliances of laws, rules and regulations etc.

e) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Thanking You,**
**Yours truly,**

**For Vijay K. Singhal& Associates**
**Company Secretaries**

**Sd/-**
**(Vijay K. Singhal)**
**Proprietor**
**Membership No: A- 21089,**
**Certificate of Practice No. : 10385**
**UDIN: A021089B000442356**

**Date: 13.07.2020**
**Place: Gurugram, Haryana**

**Annexure – 5**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The statements contained in this section describing the Company's objectives, projections, estimates, expectations may be considered to be 'forward looking statements' which the management believes are true to the best of its knowledge at the time of preparation within the meaning of applicable laws, rules and regulations. Actual results may differ materially from those expressed or implied. The Company assumes no responsibility to amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

## OVERVIEW

The Company is engaged in the business of distribution of auto spares parts across India through network of branches since 1927. The Company deals in products such as brakes, bearings, clutches, cooling system, engine components, suspension, power steering, oil & lubricants, filters etc. Most of Company's suppliers are original equipment manufacturers ("OEM's) to vehicle manufacturers.

The Company is predominately in a single reportable segment viz., distribution of auto parts.

## INDUSTRIAL STRUCTURE AND DEVELOPMENT OVERVIEW

In the Financial Budget for the current Financial Year, the management has noticed decent allocation of funds in infrastructure. With this investment in infrastructure; there might be some revival in the reeling commercial vehicle segment. Other than that, the prospects of an early turnaround in commercial vehicles sales seem dim and will depend heavily on a sustained revival in economic activity and improvement in the movement of goods and passengers.

Sentiments in the market for automobiles sector is negative at present. The demand in all vehicle segment including commercial vehicles, cars, bi-wheelers and tractors, was negligible in the first quarter of the financial year. The farm tractor segment is continuing to do well on account of normal monsoon this year. After lockdown, the traffic condition in the last two months is still significantly lower than the normal situation. Lesser mileage being covered would mean lesser spare parts requirement during this period.

Most of automobile vehicle and spare parts are attracting highest rates of Goods and Services Tax i.e. 28%. Transport has become integral part of our daily activates. We are hopeful that GST council may take steps earlier to bring down the GST rates from 28% to 12% / 18% to give much needed relief to automobile industry.

## FINANCIAL REVIEW

The Company registered a turnover of ₹ 30,415.55 lakhs. The profit before tax was ₹ 1,715.40 lakhs as compared to ₹ 2,053.19 lakhs in last financial year. The Company is a debt free company. A chart containing the details of financial performance in past 5 years is appended with this Annual Report.

## FUTURE PLANS & OUTLOOK

The Company is in the process of adding more products / lines in product mix and focusing to open of new outlets/ sales units in potential tier-ii & tier-iii cities / towns across the country so as to cater to the areas which have remained uncovered so far. Drop in Vehicle sales in primary market and increased interest in the personal private mobility (due to social distancing issues), we see an opportunity in increase in consumption of spare parts for old vehicle which may lead to higher sales / volume of parts in which your Company deals.

Also, the agriculture sector is showing positive signs given the normal monsoons we can expect some recovery in the commercial vehicle movement. Farm tractor segment is showing strong performance in the first quarter of the year.

## OPPORTUNITIES

The management of the Company expects that there would be an increase in demand in the last quarter of the year on account of normalcy in the market. It is also expected that there will be increase in requirement of auto parts both on Commercial vehicles and passenger vehicles.

## THREATS AND RISKS

After market, demand of spare parts / auto components in secondary market is going down due to aggressive posture shown by OEM's in recent past. Given the pandemic, working capital has also become extremely tight for our customers and thereby affected cash flows in the market.

There is continued uncertainty with respect to local lockdowns which force branches to shut down on regular basis for short periods of time. The lockdowns are also affecting the suppliers both from a workforce perspective and from a logistics perspective; due to which there is irregularity in terms of supplies. The supplies are expected to become normal only towards end of 3rd quarter of the financial year.

The current mileage is still significantly lower than normal situation that would mean requirement of spare parts would be lesser at this point in time. Wider acceptance of working from home could mean reduced mileage on a long-term basis as well.

**SUBSIDIARY AND ITS PERFORMA0NCE**

During the year under review, the sales turnover of the subsidiary Company was INR 5,164.01 Lakhs and it managed to earn Net Profits (after tax) of INR 181.73 Lakhs.

**RETURN ON NET WORTH**

There is reduction in Return on Net Worth from 9.26% to 8.08% as compared to last fiscal year.

**INTERNAL CONTROL SYSTEMS**

The Company has an adequate and effective control system to commensurate with its size and complexity. The internal control system is supplemented through an extensive internal audit program and periodic review by management and audit committee.

**DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standard (IND AS). The significant accounting policies which are consistently applied are set out in the Notes to the Accounts.

**RISK MANAGEMENT**

The Company monitors and reviews the risk management activities on regular basis. There is sub-committee formed by the Board of Directors of the Company to look into risks associated in operations, their impact and best possible solution to mitigate the risk. Risk management committee reports to management of the Company from time to time.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company is committed to make contribution to the society as part of our social initiatives. Special focus made on the education to overcome from literacy in small cities and villages. The Company is contributing to an NGO who are progressively working on education programs in small cities / villages of Rajasthan and contributing towards welfare abandoned senior citizens and disabled people. During the year, the Company has also contributed into The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) set up by the Government of India for combating, and containment and relief efforts against the coronavirus outbreak and similar pandemic like situations in the future.

**HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS**

The company had extensively focused on leadership development and employee engagement initiatives. During the period of lock-down, multi-product and sales training program were conducted across the Company. Employees are encouraged to be safe and are continuously requested to follow the safety protocol across all branches. Total Employees on Payroll of the Company are 508.

**Annexure – 6**

## ANNUAL REPORT ON CSR INITIATIVES TAKEN BY THE COMPANY

I. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

In line with the Companies Act, 2013 & rules made thereunder, the Company has formed a CSR Policy and the same is placed on the Company's website & can be accessed on the web link http://jmaindia.com/download/Policy%20on%20Corporate%20Social%20Responsibility.pdf

II. **The Composition of the CSR Committee**

| Name of the Director | Designation | Member/Chairman |
|---|---|---|
| Shri Alok Sondhi | Independent Director | Chairman |
| Shri Virat Sondhi | Non-executive Director | Member |
| CA Subhash Chander Vasudeva | Independent Director | Member |
| Shri Avinash Chander Anand | Independent Director | Member |

**(₹ in Lakhs)**

**III.** Average Net Profit of the Company for last three Financial Years 1,967.59

**IV.** Prescribed CSR Expenditure for the Year 39.35

**V.** Details of CSR Spent during the financial year

- Total amount to be spent for the financial year 39.35
- Amount unspent, if any N.A.
- Manner in which the amount spend during the financial year **"Item no. VI"**

**VI. Details of Contribution made towards CSR Activities:** **(₹ in Lakhs)**

| S. No. | CSR project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency * |
|---|---|---|---|---|---|---|---|
| 1 | Organization for Early Literacy Promotion (OELP) | Educational Sector | Rajasthan | 7.27 | 7.27 | 7.27 | 7.27 |
| 2 | The Earth Saviours Foundation | Setting up old age homes and day care facilities for senior citizen | Delhi NCR | 5.00 | 5.00 | 5.00 | 5.00 |
| 3 | PM Cares Fund | Citizen Assistance and Relief in Emergency Situations | Delhi | 27.08 | 27.08 | 27.08 | 27.08 |
| | | | | | | **Total** | **39.35** |

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sd/-
Alok Sondhi
Chairman of the Committee

Sd/-
Virat Sondhi
Director

Date: 13th July, 2020
Place: Gurugram

**Annexure-7**

**Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2020**

**REMUNERATION DETAILS OF EXECUTIVE DIRECTORS (EDS)**

| Name of the Director | Designation | % increase in remuneration over last year | Ratio of Remuneration of Directors with Median Remuneration of employees |
|---|---|---|---|
| Shri Virat Sondhi | Managing Director | (19.03%) | 44.43 |
| Shri Deepak Arora | Jt. Managing Director | (19.03%) | 44.43 |

**REMUNERATION DETAILS OF NON- EXECUTIVE DIRECTORS (NEDs)**

Non-Executive directors including Independent directors are paid sitting fee only.

**REMUNERATION DETAILS OF KEY MANAGERIAL PERSONNEL (KMPS)**

| Name of the KMP | Designation | % increase in remuneration over last year | Ratio of Remuneration of KMP with Median Remuneration of employees |
|---|---|---|---|
| CA Narinder Pal Singh | Chief Financial Officer | 7.04% | 14.10 |
| CS Sachin Saluja* | Erstwhile Company Secretary | - | - |
| CS Ramkesh Pal** | Company Secretary | - | 3.10 |

Note: Remuneration includes Basic Salary, HRA, perquisite and various allowances.

* CS Sachin Saluja resigned w.e.f. 14.11.2019

** CS Ramkesh Pal appointed w.e.f. 14.11.2019

**MAJOR PRINCIPLES FOR DETERMINING REMUNERATION TO DIRECTORS INCLUDING VARIABLE COMPONENTS:**

**i)** **Commission to Executive Directors:** Nomination and Remuneration Committee evaluates the performances of the executive directors taking into account the comments of the Independent Directors and recommends commission as per terms of appointment read with applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**ii)** **Commission to Non-Executive Directors:** Non-Executive Directors are not entitled to receive any sum by way of commission or otherwise except sitting fee.

**I.** **Total employees on the payroll of the Company:** 508

**II.** No employee has ever been posted outside India.

**III.** **Percentage increase in the median remuneration of employees during FY 2019-20:** 9.47%

**IV.** **Remuneration of Managerial Personnel viz-a-viz other employees**

a) Average percentile increase already made in the salaries of the employees other than the managerial personnel during the FY 2019-20 was 6%.

b) Average percentile increase in managerial remuneration during the FY 2019-20 was: (19.03%)

**V.** Employment throughout the financial year with remuneration not less than INR 1.02 Crores per annum or (excluding MD, WTD and KMP's) : NIL

**VI.** Employees whose remuneration was not less than INR 8.50 Lakhs per month if employed part of the Financial Year (excluding top 10 employees given hereunder) : NIL

**VII.** Employees whose remuneration was in excess of that of MD/WTD/Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part of the year) : NIL

**VIII. Details of Top 10 Employees in terms of Remuneration withdrawn during the Financial Year 2019-20 except KMP employees**:

**(₹ in Lakhs)**

| Name | Age | Designation | Date of appointment | Experience in Years | Remuneration in INR |
|---|---|---|---|---|---|
| Mr. Varoon Malik | 38 | Chief Operating Officer | 01-Jan-2019 | 12 | 64.27 |
| Mrs. Aditi Arora Malik | 34 | President – HR and Marketing | 01-April-2009 | 11 | 42.44 |
| Mr. Harvinder Singh | 56 | General Manager – Purchase | 23-Nov-1987 | 33 | 18.05 |
| Miss Ashana Arora | 27 | Vice President – A & F | 05-Nov-2015 | 05 | 15.78 |
| Mr. Vivek Sheel Ahuja | 61 | General Manager –South Zone | 01-Feb-1988 | 32 | 14.69 |
| Mr. Akshay Gupta | 48 | Head – IT | 02-July-2012 | 08 | 13.44 |
| Mr. L K Nagpal | 64 | General Manager – Sales | 01-April,-2003 | 17 | 12.79 |
| Mr. Rajesh Chawla | 56 | General Manager – Business Development | 03-April-2017 | 03 | 10.87 |
| Mr. Vireshh Aggarwal | 44 | Deputy General Manager | 13-Feb-2017 | 03 | 10.44 |
| Mr. R P Rabra | 70 | Chief Manager – Accounts | 04-Jan-1977 | 43 | 10.06 |

None of the above persons is/are holding shares in the Company except Shri Varoon Malik, Smt Aditi Arora Malik and Miss Aashna Arora, details of which together with relationship with other directors are given in Corporate Governance Report.

Sd/-
Varoon Malik
Chief Executive Officer

Date: 18th August, 2020
Place: Gurugram

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of the Corporate Governance. The founding fathers of the Company were great visionaries and both these tenets were imbibed and made integral part of the business policies of the Company. The Company believes in highest standards of Corporate Behavior towards its stakeholders be it the suppliers, the customers, the employees as well as society as a whole. The Company's moto is to achieve sustainable growth so as to create long term value for shareholders. During last 93 years of the Company's existence, the above principles have been the guiding force for the Company. The Board plays a critical role in the overseeing how the management serves the short and long term interest of shareholders and other stakeholders. This belief is reflected in Company governance practices, under which the Company strives to maintain an active, informed and independent Board. The Company's governance practices are under continuous review and it tries to benchmark itself to the best governed companies across the country.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Listing Regulations is given below:

### 1. BOARD OF DIRECTORS

The Board of Directors ('the Board') is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

### 1.1 Composition of the Board

Board of Directors ("Board") of the Company has an optimum combination of Independent, Executive and Non-executive directors including two Woman directors. Board consists of 11 Directors comprising 2 Executive Directors (upto 31st March, 2020), 5 Non-Executive Non-Independent Directors and 4 Independent Directors. CA Subhash Chander Vasudeva is Chairman of the Board, who is an Independent Director.

All Independent Directors ("IDs") have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ("the Act") and the rules framed thereunder. The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the disclosures received from all the IDs and as determined at the meeting held on 20th May, 2020, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act and SEBI Listing Regulations and are independent of the Management.

### 1.2 Details of directorship in other listed companies including category of their directorships as on 31st March, 2020:

| Name of Directors | Directorship in other listed companies | Category of directorship (Executive / Non-Executive) |
|---|---|---|
| Shri Virat Sondhi | - | - |
| Shri Deepak Arora | - | - |
| CA Subhash Chander Vasudeva | - | - |
| CA Mohindar Mohan Khanna | - | - |
| Shri Avinash Chander Anand | - | - |
| Shri Alok Sondhi | - | - |
| Shri Ranjit Puri | ISGEC Heavy Engineering Ltd<br>The Yamuna Syndicate Ltd | Non-Executive Director<br>Non-Executive Director |
| Smt Tanu Priya Puri | - | - |
| Smt Shuchi Arora | - | - |
| Shri Sanjeev Kumar | - | - |
| Shri Sarvjit Sondhi | - | - |

### 1.3 Change in Directorship during the Financial Year 2019-20

#### 1.3.1 Resignation

Shri Sanjay Saigal and Shri Kamal Luthra, Independent directors have resigned w.e.f. 05th March, 2020 and 16th June, 2020, respectively, on account of certain personal and unavoidable circumstances. In accordance with the requirement of Regulation 30 read with Clause 7B of Para-A, Part-A of Schedule III of Listing Regulations, they have also confirmed that there was no material reason for their resignation other than those provided above as the Independent Director from the Board of Directors of the Company.

#### 1.3.2 Appointment

There was no appointment of any director on the Board of the Company.

### 1.4 Committees of the Board

Board has constituted Committees viz Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. All the above committees are being chaired by Independent Directors. In addition to above, the Board of directors has a risk management committee. During the year, the Board, on 11th February, 2020, also formed a Sub-committee to look into the working of the Company, which, on completion of its task, was subsequently dissolved; and on 13th March, 2020, a Committee, to look into day to day affairs of the Company, and this Committee was dissolved on 13th July, 2020.

### 1.5 Meetings of the Board of Directors and last Annual General Meeting

During the Financial Year under review, Eight (08) meetings of Board of Directors of the Company were held on 29th May, 2019, 30th May, 2019, 24th July, 2019, 13th August, 2019, 14th November, 2019, 11th February, 2020, and 04th March, 2020 and 13th March, 2020. Last i.e. 70th Annual General Meeting was held on Friday, 27th September, 2019 at the Registered Office of the Company.

Details of the attendance at Board Meetings, last Annual General Meeting, others Directorship/Membership held in the Board/Committees of various other companies and relations of directors' inter-se, are given below:

| Name of Directors | Category of the Directors | No. of Equity Shares Held^ | Relation of the Directors inter-se | Attendance particulars | | Number of Directorships and Committee memberships/Chairmanships | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Board Meeting | Last AGM (27.09.19) | Directorships in other Companies# | Memberships of Committees@ | Committee Chairmanships |
| Shri Virat Sondhi | Non-executive Non-independent (Promoter) | 57,42,520 | Father of Smt. Shuchi Arora and Father-in-law of Shri Deepak Arora | 8 | Yes | 3 | 1 | None |
| Shri Deepak Arora | Non-Executive Non-independent (Promoter) | 13,07,809 | Husband of Smt. Shuchi Arora and Son-in-law of Shri Virat Sondhi | 8 | Yes | 3 | 1 | None |
| Smt Shuchi Arora | Non-Executive Non-independent (Promotor) | 18,42,570 | Daughter of Shri Virat Sondhi; and Wife of Shri Deepak Arora | 8 | Yes | 2 | None | None |
| Shri Ranjit Puri | Non-executive Non-independent | 20,43,760 | Father-in-law of Smt Tanu Priya Puri | 5 | No | 4 | 2 | 1 |
| Smt Tanu Priya Puri | Non-Executive Non- Independent | Nil | Daughter-in-law of Shri Ranjit Puri | 5 | No | 1 | None | None |
| Shri Sanjeev Kumar | Non-Executive Non-Independent | 12,47,510 | - | 4 | No | 1 | None | None |
| CA Subhash Chander Vasudeva | Non-Executive Independent | Nil | - | 8 | Yes | None | 1 | None |
| CA Mohindar Mohan Khanna | Non-Executive Independent | Nil | - | 5 | Yes | None | 1 | 1 |
| Shri Avinash Chander Anand | Non-Executive Independent | 16,105 | - | 6 | Yes | 1 | 2 | 1 |
| Shri Sarvjit Sondhi | Non-Executive Non-Independent | 15,000 | - | 8 | Yes | None | 1 | None |
| Shri Alok Sondhi | Non-Executive Independent | 1500 | - | 1 | No | 2 | None | None |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Shri Sanjay Saigal** | Non-Executive Independent | Nil | - | 5 | No | None | 1 | None |
| Kamal Luthra** | Non-Executive Independent | Nil | - | 7 | No | None | None | None |

# Excluding Private Companies, Foreign Companies, Banking Companies, Section 8 Companies and Alternate Directorship.

@Includes only Audit Committee and Shareholders'/Stakeholders' Relationship Committee.

**Shri Sanjay Saigal and Shri Kamal Luthra resigned from the Board of Directors of the Company w.e.f. 05th March, 2020 and 16th June, 2020, respectively.

^ No convertible instruments have ever been issued by the Company.

**1.6 Attendance of Chairman of the Company and Committees at 70th AGM**

Chairman of the Board along with Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee were present at 70th Annual General Meeting held on Friday, 27th September, 2019.

**1.7 Induction, Training & Familiarization programs imparted to Independent Directors**

Your company issues a Letter of appointment to directors, setting out in details the terms of appointment, duties, responsibilities and commitments at the time of appointment, copy of which are also posted on website of the Company. Formal induction & orientation promptly after the appointment are also given to new directors so as to familiarize with the Company's vision, strategic direction, business model of the Company, core values including ethics, corporate governance practices and other key policies and practices. Company also provides suitable training & education to all Independent Directors. Such familiarization programme has also been posted on the Company's website under the below link: http://jmaindia.com/download/Polices/Familiarisation%20Programme%20for%20Independent%20Directors.pdf

**2. AUDIT COMMITTEE**

Your Company has qualified and independent Audit Committee in conformity with the requirement of Listing Regulations, 2015 and the Companies Act, 2013.

**2.1 Composition**

Composition of the Audit Committee is as under:

| Name of the Director | Designation |
|---|---|
| CA Mohindar Mohan Khanna, Independent Director | Chairman |
| CA Subhash Chander Vasudeva, Independent Director | Member |
| Shri Avinash Chander Anand, Independent Director | Member |
| Shri Virat Sondhi, Non-executive Director | Member |

*Shri Sanjay Saigal, Independent Director, who was member of the Committee, has resigned w.e.f. 05th March, 2020.*

CS Ramkesh Pal, Company Secretary of the Company acts as secretary of the committee.

**2.2 Brief description of terms of reference**

Brief description of terms of Audit Committee, inter-alia, includes:

- Review of scope of audit and discuss post-audit area of concern, if any, with Statutory Auditors & Internal Auditors;
- Recommending the appointment of statutory auditor and fixation of audit fee;
- Review of Quarterly/ Annual Financial Statements with statutory auditors and management before submission to the Board;
- Review of internal control systems with the Management, Statutory Auditors and Internal Auditors;
- Reviewing the adequacy of Internal Audit Function/ Control;
- Review of Financial and Risk Management policies of the Company;
- Reviewing default, if any, in payments shareholders and creditors;
- Reviewing the statement of significant Related Party Transactions submitted by the management;
- Reviewing the management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Management Discussion and Analysis of financial condition and results of operation.

**2.3 Meetings of the Committee and Attendance**

During the financial year under review, the committee met five (05) times on 30th May, 2019, 23rd July, 2019, 13th August, 2019, 14th November, 2019 and 10th February, 2020. Details of the attendance are as under:

| Name of the Member | No. of Meetings Attended |
|---|---|
| CA Mohindar Mohan Khanna, Chairman | 3 |
| CA Subhash Chander Vasudeva, Member | 5 |
| Shri Avinash Chander Anand, Member | 4 |
| Shri Virat Sondhi, Member | 5 |
| Shri Sanjay Saigal, Ex-member* | 4 |

**Shri Sanjay Saigal, Independent Director, who was member of the Committee, has resigned w.e.f. 05th March, 2020.*

**2.4** Statutory Auditors of the Company are invited to attend the meetings where the Audit Committee holds discussion with the Statutory Auditors on the quarterly/half-yearly accounts subject to their Limited Review, yearly Audit plan, matters relating to compliance with Accounting standards, their observations on matters arising out of annual audit and other related matters.

**3. Nomination and Remuneration Committee**

Your Company also has qualified and independent Nomination and Remuneration Committee to determine and identify the qualified persons to become directors, KMPs and senior management personnel and also to formulate criteria /policy for remuneration involving a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

**3.1 Composition**

Composition of the Nomination and Remuneration Committee is as under:

| Name of the Director | Designation |
|---|---|
| Shri Avinash Chander Anand, Independent Director | Chairman |
| Shri Alok Sondhi, Independent Director | Member |
| CA Subhash Chander Vasudeva, Independent Director | Member |
| Shri Virat Sondhi, Non-executive Director | Member |
| Smt. Tanu Priya Puri, Non-executive Director | Member |

*Shri Sanjay Saigal, who was member of the Committee, has resigned w.e.f. 05th March, 2020. Smt Tanu Priya Puri and Shri Virat Sondhi have been inducted as new members of the Committee w.e.f. 13th March, 2020 and 13th July, 2020 respectively.*

**3.2 Brief description of terms of reference**

Nomination and Remuneration Committee reviews, recommends and deals with all elements of the remuneration package of all Executive Directors, KMP's and senior management personnel i.e. Salary, Benefit, bonuses, etc. including details of fixed components and performance linked incentives, along with the performance criteria. There is no Stock Option Scheme prevailing in the Company.

**3.3 Meetings of the Committee and attendance**

During the financial year under review, three (03) meetings of Nomination and Remuneration Committee were held on 30th May, 2019, 13th August, 2019 and 14th November, 2019. Details of attendance at such meeting are as under:

| Name of the Member | No. of Meetings Attended |
|---|---|
| Shri Avinash Chander Anand, Chairman | 2 |
| CA Subhash Chander Vasudeva, Member | 3 |
| Shri Alok Sondhi, Member | 0 |
| Smt Tanu Priya Puri, Member | 0 |
| Shri Sanjay Saigal, Ex-member* | 3 |

**Shri Sanjay Saigal, Independent Director, who was member of the Committee, has resigned w.e.f. 05th March, 2020.*

### 3.4 Nomination and Remuneration Policy

Your Company has a policy approved by the Board relating to the appointment and remuneration for the Directors, Key managerial personnel and senior management employees.

### 3.5 Meeting of Independent Directors' & Evaluation of Board, Independent & its other members

For the year under review, the Independent Directors met one time on 22nd January, 2020, inter alia, to discuss:

- Evaluation of Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The evaluation of the Independent Directors was carried out by the entire Board excluding the directors being evaluated. Further, the Board also carried out assessment of its own performance and that of its Committees based upon criteria such as performance against set objectives, contribution to the development of long term strategy and risk management, level of communication amongst the Board/Committee members and of the Board/ Committee members with Key Managerial Personnel & Senior Management Personnel, etc.

## 4. REMUNERATION OF DIRECTORS

The Company does not pay any remuneration to its Non-executive directors except sitting fees for attending the meetings of the Board of Directors and committees thereof. The Company pays 10,000/- (INR Ten Thousand Only) as sitting fees to its directors for attending each meeting of the Board and committees thereof.

In addition to the above, the Company had obtained tax advisory services from SCV & Co. LLP, a reputed firm of Chartered Accountants engaged in the providing services in the field of accounting, audit, secretarial and tax across India & abroad. CA Subhash Chander Vasudeva a Non-Executive Director is a partner in SCV & Co. LLP and is an interested party. During the year under review, the Company has also entered into related party transaction with The Yamuna Syndicate Limited for sale of goods/material. Shri Ranjit Puri, Non-Executive Director is an interested party. Pre-requisite approval(s) was obtained from the Board, on recommendation of Audit Committee, before execution of the pecuniary transaction(s) with aforesaid parties. Necessary disclosures have also been given in AOC – 2 attached with this Annual Report and Standalone Audited Financial Statements for the Financial Year 2019-20.

No Stock Option Scheme is implemented for directors and other employees of the Company.

### 4.1 Remuneration to Non-executive Directors

Details of remuneration i.e. sitting fees, paid to Non-executive directors, during the year under review, are as under:

**(₹ in Lakhs)**

| S. No. | Name of Directors | Total Fees (in ₹) |
|---|---|---|
| 1 | CA Subhash Chander Vasudeva | 2.60 |
| 2 | Smt Shuchi Arora | 0.80 |
| 3 | Shri Ranjit Puri | 1.30 |
| 4 | Smt Tanu Priya Puri | 0.50 |
| 5 | Shri Avinash Chander Anand | 1.20 |
| 6 | Shri Sarvjit Sondhi | 0.80 |
| 7 | Shri Alok Sondhi | 0.30 |
| 8 | CA Mohindar Mohan Khanna | 1.70 |
| 9 | Shri Sanjeev Kumar | 1.20 |
| 10 | Shri Sanjay Saigal* | 1.20 |
| 11 | Shri Kamal Luthra ** | 0.80 |

* Resigned w.e.f. 05th March, 2020;

** Resigned w.e.f. 16th June, 2020

Other terms and conditions of appointment are specifically given in appointment letter(s) issued to them and are uploaded on website of the Company

**4.2 Remuneration to Managing Director and Joint Managing Director**

Details of remuneration paid to, both, erstwhile Managing Director and Joint Managing Director, during the year under review, are as under:

**(₹ in Lakhs)**

| Name of the Director with designation | Shri Virat Sondhi, Ex- Managing Director | Shri Deepak Arora, Ex- Jt. Managing Director |
|---|---|---|
| Basic Salary | 48.60 | 48.00 |
| House Rent Allowance | 24.30 | 24.00 |
| Contribution to Provident Fund | 5.83 | 5.76 |
| Payment of Sitting Fee | 1.40 | 0.80 |
| Value of Perquisites | 0.46 | 0.41 |
| Commission – Performance linked | 11.81 | 13.43 |
| **Total Remuneration** | **92.40** | **92.40** |

**4.3** Neither the erstwhile Managing Director nor Joint Managing Director of your Company received any remuneration or commission from any of its associates and/or joint venture companies except sitting fee.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

Your Company has qualified and independent Stakeholders' Relationship Committee to address the shareholders and investors requests/queries/complaints and ensures an expeditious redressal of the same.

**5.1 Composition**

Composition of the Stakeholders Relationship Committee is as under:

| Name of the Director | Designation |
|---|---|
| Shri Avinash Chander Anand, Independent Director | Chairman |
| Shri Sarvjit Sondhi, Non-executive Director | Member |
| Shri Deepak Arora, Non-executive Director | Member |

**5.2 Name and designation of Compliance Officer**

Details of Compliance Officer are as under:

| Name of the Compliance Officer | Designation | Contact Details |
|---|---|---|
| CS Ramkesh Pal | Company Secretary & Compliance Officer | Contact No.: +91-124-3019210, 11;<br>Fax No.: +91-124-4233868; and<br>E-mail id.: jmaadmincs@jmaindia.com |

**5.3 Number of complaints received, resolved and pending**

During the financial year 2019-20, the Company has received requests/queries/complaints from Shareholders/ Investors relating to non-receipt of declared dividend/ Share Certificate/Annual Report, change of bank account details, transfer of shares/ dematerialization, etc. details of which are as under:

| Number of Complaint(s) Received | Complaint(s) Resolved | Complaint(s) pending |
|---|---|---|
| 26 | 26 | Nil |

All the complaints received or registered under the SEBI complaint redressal system (SCORES) had been duly resolved. There was no investor complaint unresolved / pending at the end of financial year on 31st March, 2020.

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Company has Corporate Social Responsibility (CSR) Committee.

**6.1 Composition and brief description of terms of reference**

| Name of the Director | Designation | Brief description of terms of reference |
|---|---|---|
| Shri Alok Sondhi, Independent Director | Chairman | - Review the existing CSR Policy;<br>- Provide guidance on various CSR activities to be undertaken; |
| Shri Avinash Chander Anand, Independent Director | Member | |

| | | |
|---|---|---|
| CA Subhash Chander Vasudeva, Independent Director | Member | - Recommend the amount of expenditure to be incurred on CSR activities;<br>- Monitor the activities undertaken under CSR; and<br>- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities |
| Shri Virat Sondhi, Non-executive Director | Member | |

**7. SUB-COMMITTEE**

The Board of Directors of your Company in their meeting held on 11th February, 2020 formed a Sub-committee to look into the fundamental differences in managerial and administrative aspects of the business at the level of top Managerial personnel.

**7.1 Composition and brief description of terms of reference**

| Name of the Director | Designation | Brief description of terms of reference |
|---|---|---|
| Shri Ranjit Puri, Non-executive Director | Chairman | - To identify the areas of difference in approach to major issues with regard to the managerial and administrative matters affecting the working and reputation of the Company.<br>- To consider the delegation of powers and duties inter-se top managerial personnel to avoid overlap thereon for optimal efficient operations of the Company.<br>- To look into and recommend organization structure of the Company and Key Managerial Personnel.<br>- Any other issues of relevance as deemed appropriate in the interest of the Company |
| Shri Sanjeev Kumar, Non-executive Director | Member | |
| CA Subhash Chander Vasudeva, Independent Director | Member | |
| CA Mohindar Mohan Khanna, Independent Director | Member | |

**7.2 Meetings of the Sub- committee and attendance**

During the financial year under review, eight (08) meetings of sub-Committee were held on 14th February, 2020, 15th February, 2020, 17th February, 2020, 26th February, 2020, 29th February, 2020, 04th March, 2020, 12th March, 2020 and 13th March, 2020. Details of attendance at such meeting are as under:

| Name of the Member | No. of Meetings Attended |
|---|---|
| Shri Ranjit Puri | 8 |
| Shri Sanjeev Kumar | 8 |
| CA Subhash Chander Vasudeva | 8 |
| CA Mohindar Mohan Khanna | 8 |

**8. COMMITTEE OF THE BOARD**

The Board of Directors of your Company in their meeting held on 13th March, 2020 formed a Committee to look into the day to day affairs of the Company till the Board otherwise resolves, following the suspension of powers of the then Managing Director and Joint Managing Director, whose respective terms expires on 31st March, 2020. The said Committee has been dissolved by the Board of Directors, post appointment of Chief Executive Officer (CEO) of the Company, in their meeting held on 13th July, 2020.

**8.1 Composition and brief description of terms of reference**

| Name of the Director | Designation | Brief description of terms of reference |
|---|---|---|
| Shri Ranjit Puri, Non-executive Director | Chairman | - To look into the day to day affairs of the Company; |
| Smt. Tanu Priya Puri, Non-executive Director | Member | |
| Shri Avinash Chander Anand, Independent Director | Member | |

## 9. GENERAL BODY MEETING

Details of the last three Annual General Meetings and the summary of Special Resolution(s) passed therein are as under:

| Financial Year | AGM/GM | Venue | Date & Time | Special resolution passed |
|---|---|---|---|---|
| 2018-19 | 70th AGM | 458-1/16, Sohna Road, Opposite New Court, Gurugram - 122001 Haryana, INDIA | 27.09.2019 At 10:30 A.M. | 1. To consider the re-appointment of CA Subhash Chander Vasudeva as an Independent Director;<br>2. To consider the re-appointment of CA Mohindar Mohan Khanna as an Independent Director;<br>3. To consider the re-appointment of Shri Avinash Chander Anand as an Independent Director;<br>4. To consider the re-appointment of Shri Alok Sondhi as an Independent Director;<br>5. To consider the continuation of appointment and revision in salary of Smt Aditi Arora Malik, holding office or place of profit |
| 2019-20 | EGM | | 25.04.2019 At 10:30 A.M. | 1. Amendment in Capital Clause of Memorandum of Association on account of Sub-Division;<br>2. Approval of remuneration of Shri Virat Sondhi, Managing Director; and<br>3. Approval of remuneration of Shri Deepak Arora, Joint Managing Director; |
| 2018-19 | EGM | | 20.12.2018 At 11:30 A.M. | N.A. |
| 2017-18 | 69th AGM | | 28.09.2018 At 10:30 A.M. | 1. Re-appointment of Shri Sanjay Saigal as an Independent Director;<br>2. Continuation of term of appointment of Shri Subhash Chander Vasudeva;<br>3. Continuation of term of appointment of Shri Mohindar Mohan Khanna;<br>4. Continuation of term of appointment of Shri Avinash Chander Anand;<br>5. Continuation of term of appointment of Shri Ranjit Puri; and<br>6. Continuation of term of appointment of Shri Sarvjit Sondhi |
| 2016-17 | 68th AGM | | 28.09.2017 At 10:30 A.M. | N.A. |

There were no resolutions that were required to be passed by means of postal ballot by the members of the Company during the year 2018-19 and 2019-20. There is no resolution in the Agenda of ensuing Annual General Meeting which is required to be passed through Postal Ballot.

## 10. MEANS OF COMMUNICATION

a. Company ensures that its quarterly and annual financial results are sent to the concerned stock exchange immediately after the same have been considered and taken on record by the Board of Directors.

b. Company also ensures that its quarterly financial results are published in the following newspapers:

   i) Financial Express (English)

   ii) Jansatta (Hindi)

c. Quarterly / Annual Financial Results and the shareholding pattern were uploaded on the website of the Company viz., www.jmaindia.com and website of National Stock Exchange of India Limited ie. www.nseindia.com .

## 11. GENERAL SHAREHOLDER INFORMATION

### 11.1 Annual General Meeting for Financial Year 2019-20

| | |
|---|---|
| Date | Monday, 28th September, 2020 at 11:00 A.M. |
| Mode of Meeting | Through Video Conferencing |
| Venue | Regd. Off: 458-1/16, Sohna Road, Opposite New Court, Gurugram – 122001, Haryana |
| Book Closure Date | Tuesday, 22nd September, 2020 to Friday, 28th September, 2020 (both days inclusive) |
| Telephone Number | +91-124-3019210, 11 |
| Fax No. | +91-124-4233868 |
| Website | www.jmaindia.com |
| Dedicated email id | info@jmaindia.com |

### 11.2 Financial Year

01st April, 2019 to 31st March, 2020 (last Financial Year 2019-20); and

01st April, 2020 to 31st March, 2021 (Financial Year 2020-21)

### 11.3 Name, address of the Stock Exchange and payment of Annual Listing Fee

| Name of the Stock Exchange | Address | Status of Annual Listing Fee |
|---|---|---|
| National Stock Exchange of India Ltd ("NSE/NSEIL") | Exchange Plaza, Plot No C/1, G Block, Bandra - Kurla Complex, Bandra(East), Mumbai – 400051 | Paid for Financial Year 2020-21 |

### 11.4 Stock Code

Stock Code of Equity Share of the Company is **JMA** on NSEIL.

### 11.5 Share Market Price Data and performance in comparison to broad based indices

Monthly high and low prices and volumes of your Company's shares at NSE for the year ended 31st March, 2020 are as under:

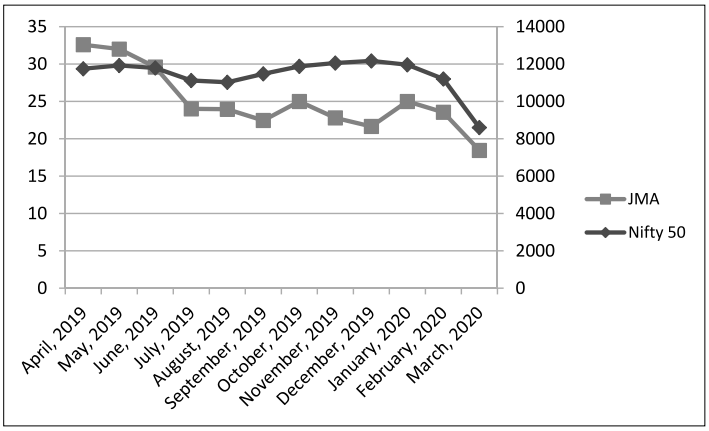
**Amount in ₹**

| Month | High (NSE) | Low (NSE) | No. of Shares |
|---|---|---|---|
| April, 2019 | 35.00 | 32.31 | 15185 |
| May, 2019 | 36.40 | 31.00 | 100610 |
| June, 2019 | 35.05 | 27.75 | 87458 |
| July, 2019 | 31.40 | 24.00 | 71597 |
| August, 2019 | 25.90 | 20.20 | 37044 |
| September, 2019 | 28.00 | 21.45 | 311036 |
| October, 2019 | 26.50 | 21.50 | 38683 |
| November, 2019 | 26.80 | 22.05 | 34587 |
| December, 2019 | 24.15 | 21.05 | 37281 |
| January, 2020 | 29.75 | 22.00 | 213563 |
| February, 2020 | 28.80 | 22.65 | 80324 |
| March, 2020 | 23.80 | 14.50 | 80563 |

**Comparison of JMA Share Price Data with Nifty 50**

| Month | Nifty 50 | JMA |
|---|---|---|
| April, 2019 | 11748.15 | 32.59 |
| May, 2019 | 11922.80 | 32.00 |
| June, 2019 | 11788.85 | 29.60 |
| July, 2019 | 11118.00 | 24.00 |
| August, 2019 | 11023.25 | 23.95 |
| September, 2019 | 11474.45 | 22.45 |
| October, 2019 | 11877.45 | 25.00 |
| November, 2019 | 12056.05 | 22.80 |
| December, 2019 | 12168.45 | 21.65 |
| January, 2020 | 11962.10 | 25.00 |
| February, 2020 | 11201.75 | 23.55 |
| March, 2020 | 8597.75 | 18.45 |

**Comparison Chart of JMA Share Price Date with Nifty50**




### 11.6 Share/Security Transfer System and Share Transfer Agent

Power to approve transfer of shares has been delegated by the Board of Directors to the Share Transfer Agent. MAS Services Limited has been appointed as RTA for the Company. Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects. The authority relating to share transfers has been delegated to the Stakeholders relationship Committee.

As per the requirement of Regulation 40(9) & (10) of the Listing Regulations, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

### 11.7 Addresses for Correspondence

Details for correspondence with RTA and/or the Company are as under:

| | | |
|---|---|---|
| Registrar & Transfer Agent | **Shri Sharwan Mangla,** GM-Shares<br>M/s MAS Services Limited<br>T-34, 2nd Floor, Okhla Industrial Area,<br>Phase-II, New Delhi-110 020 | Phone No.: +91 11 26387281, 82, 83<br>E-mail: info@masserv.com<br>Website.: www.masserv.com<br>Fax: +91 - 11 - 26387384 |
| Compliance Officer<br>& Nodal Officer* | **CS Ramkesh Pal,**<br>Company Secretary & Compliance Officer<br>Jullundur Motor Agency (Delhi) Limited<br>458-1/16, Sohna Road, Opp. New Court,<br>Gurugram -122 001, Haryana, | Phone No.: + 91 124 3019210, 211<br>E-mail id: jmaadmincs@jmaindia.com<br>Website.: www.jmaindia.com<br>Fax: +91 124 4233868 |

* Nodal Officer for the IEPF matters.

### 11.8 Distribution of shareholding as on 31st March, 2020:

| Shareholding Range | No. of Shareholders | % of Shareholders | No. of shares held | % of shareholding |
|---|---|---|---|---|
| 1 to 5000 | 4,487 | 85.320 | 36,41,178 | 12.211 |
| 5001 to 10000 | 442 | 8.405 | 15,92,140 | 5.340 |
| 10001 to 20000 | 172 | 3.271 | 12,51,898 | 4.198 |
| 20001 to 30000 | 60 | 1.141 | 7,64,849 | 2.565 |
| 30001 to 40000 | 30 | 0.570 | 5,07,629 | 1.702 |
| 40001 to 50000 | 13 | 0.247 | 2,96,089 | 0.993 |
| 50001 to 100000 | 21 | 0.399 | 7,22,987 | 2.425 |
| 100001 & Above | 34 | 0.647 | 2,10,41,280 | 70.566 |
| **Total** | **5,259** | **100** | **2,98,18,050** | **100** |

**11.9 Pattern of shareholding as on 31st March, 2020:**

| S.No. | Category | No. of Folios | No. of shares | % to Total Capital |
|---|---|---|---|---|
| 1 | Promoters | 10 | 1,15,34,689 | 38.68 |
| 2 | Mutual fund & UTI | 0 | 0 | 0 |
| 3 | Financial institutions/ Banks/ Insurance companies | 1 | 1,400 | 0.00 |
| 4 | Body Corporate | 41 | 2,30,840 | 0.77 |
| 5 | Non-resident Indians | 29 | 16,25,530 | 5.45 |
| 6 | Indian Public (including Directors & their relatives) | 5,178 | 1,64,25,591 | 55.10 |
| | **Total** | **5,259** | **2,98,18,050** | **100.00** |

***** Mr. Virat Sondhi is maintaining two folios**.**

**11.10 Dematerialization:**

Company has entered into necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialization of shares held by the investors. As at March 31, 2020, approx. 84.12% shares were in dematerialized form as compared to approx. 82.53% in last financial year.

Promoters and Promoters Group hold their entire shareholding in demat form.

Annual Custodial Fee has been paid to NSDL & CDSL for the financial year 2019-20.

**11.11 Demat ISIN Number: INE412C01023**

**11.12 Financial Calendar**

Board meetings for approval of:

| | |
|---|---|
| Audited Annual Financial Statements as at 31st March, 2020 | 13th July, 2020* |
| Un-audited Financial Results for 01st quarter ending 30th June, 2020 | Any day before 15th September, 2020* |
| Un-audited Financial Results for 02nd Quarter ending 30th September, 2020 | Any day before 14th November, 2020 |
| Un-audited Financial Results for 03rd Quarter ending 31st December, 2020 | Any day before 14th February, 2021 |
| Audited Annual Financial Results for the 04th Quarter and Financial Year ended on 31st March, 2021 | Any day before 30th May, 2021 |

**Pursuant to extension provided by SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020, due to impact of the COVID-19 Pandemic, date of Board meeting has been extended.*

**11.13 Particulars of Directors seeking appointment / re-appointment in Annual General Meeting:**

Details of directors seeking appointment / re-appointment are given in Notice of Annual general Meeting given herein this Annual Report for Financial Year 2019-20.

**12. OTHER DISCOSURES**

**12.1 Related Party Disclosures**

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered into by the Company in the normal course of business or otherwise are periodically placed before the Audit Committee for review and or approval as the case may be. Register of contracts containing the transactions in which directors are interested is placed before the Board regularly for its approval. Members may refer to the notes to the accounts for details of related party transactions.

Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the rules made thereunder and SEBI (LODR) Regulations, 2015. The policy has also been uploaded on the website of the Company at http://jmaindia.com/download/Policy-on-Materiality-of-Related-Party-Transactions.pdf

**12.2 Compliance with Regulations**

During the past 3 years, no instances of non-compliances have been noticed / pointed pertaining to requirement of the Stock Exchanges, Securities and Exchange Board of India or any other authority on any matter related to capital market.

**12.3 Vigil Mechanism – cum - Whistle blower Policy**

Company has a Vigil Mechanism cum Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy, providing adequate safeguards against victimization; and providing direct access to the Chairman of Audit Committee. Aforesaid policy is placed on the website of the Company. It has been affirmed that no personnel has been denied access to the Audit Committee and no complaints has been received so far.

**12.4** Company has complied with all the mandatory requirements prescribed under Listing Regulations. The Company has obtained and placed before the Board, certificate from the CFO & CEO pursuant to Regulation 17(8) of the Listing Regulations as specified in Part B of Schedule II of said regulations.

**12.5 Status of Discretionary Requirement**

Chairman of the Company is an Independent, Non-Executive Director. Separate persons have been appointed for the position of Chairperson, Managing Director (upto 31st March, 2020) and Chief Executive Officer. Internal Auditors of the Company are directly reporting to the Audit Committee**.**

**12.6 Certificate of Non-disqualification of Directors from Secretarial Auditors**

**Certificate from Company Secretary in Practice pursuant to Regulation 34(3) and Schedule V Para C Clause 10 (i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To,
The Members of
Jullundur Motor Agency (Delhi) Limited
458-1/16, Sohna Road, Opposite New Court,
Gurugram (Gurgaon) - 122001, Haryana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jullundur Motor Agency (Delhi) Limited having CIN: L35999HR1998PL033943 and registered office situated at 458-1/16, Sohna Road, Opposite New Court, Gurugram (Gurgaon)- 122001, Haryana (hereinafter referred to as 'the Company'), produced before 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 and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India and Registrar of Companies, NCT Delhi & Haryana, Ministry of Corporate Affairs.

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

**For Vijay K. Singhal & Associates**
**Company Secretaries**

**Sd/-**
**Vijay K. Singhal**
**Proprietor**
**Practicing Company Secretary**
**Membership No.: ACS 21089**
**Certificate of Practice No.: 10385**
**UDIN: A021089B000588381**

**Date: 18.08.2020**
**Place: New Delhi**

### 12.7 Code of conduct

Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management of the Company which is also posted on the website of the Company, viz. www.jmaindia.com. All Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the year under review. Declaration from the Chief Executive Officer to this effect is given hereunder:

**Declaration by Chief Executive Officer on Code of Conduct under Regulation 26(3) read with 34(3) of the Listing Regulations, 2015**

To
The Members of
**Jullundur Motor Agency (Delhi) Limited**

I hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed in writing their adherence with the code of conduct adopted by the Company.

For **Jullundur Motor Agency (Delhi) Limited**
**Varoon Malik**
**Chief Executive Officer**

**Place: Gurugram**
**Date: 18th August, 2020**

### 12.8 Compliance Certificate from Statutory Auditors

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 15(2) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the members of
Jullundur Motor Agency (Delhi) Limited

We have examined the compliance of conditions of Corporate Governance by Jullundur Motor Agency (Delhi) Limited for the year ended 31st March, 2020 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period starting from 01st April, 2019 to 31st March, 2020.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedure and implementation thereof, adopted by the company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Aiyar & Co.
Chartered Accountants
Firm's Registration No.: 001174N

Sd/-
**(Charanjit Chuttani)**
Partner
Membership No. 090723
UDIN: 20090723AAAAAL9557

Place of Signature: Gurugram
Date: 18th August, 2020

### 12.9 CEO & CFO Certification

**CEO and CFO Certification for the Financial Year 2019-20 as per terms and conditions of Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To
Board of Directors of
Jullundur Motor Agency (Delhi) Limited
458-1/16, Sohna Road, Opposite New Court, Gurugram, Haryana, INDIA

We hereby certify to the Board that

A. We have reviewed financial statements and the cash flow statement for the Financial Year 2019-20 ("Statements") and that to the best of our knowledge and belief:
   (i) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these Statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by Jullundur Motor Agency (Delhi) Limited ("the Company") during the Financial Year 2019-20 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee
   (1) significant changes in internal control over financial reporting during the Financial Year 2019-20;
   (2) significant changes in accounting policies during the Financial Year 2019-20 and that the same have been disclosed in the notes to the financial statements; and
   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | Sd/- | Sd/- |
|---|---|---|
| Place: Gurugram | Narinder Pal Singh | Varoon Malik |
| Date: 13th July, 2020 | Chief Financial Officer | Chief Executive Officer |

### 12.10 Details of demat suspense account / unclaimed suspense account

Status of unclaimed shares lying into unclaimed suspense account as on 31st March, 2020 is as under:

| Particulars | No. of Shares |
|---|---|
| Aggregate number of outstanding shares lying in unclaimed suspense account as at April 01, 2019 | 74,402 |
| Number of shares credited to Unclaimed Suspense Account on account of sub-division of shares on 17th May, 2019 | 2,93,840 |
| Number of shares claimed by the shareholders from the unclaimed suspense account during the year | 31,442 |
| Number of shares transferred into Investor Education Protection Fund Suspense Account | 600 |
| Aggregate number outstanding shares lying in unclaimed suspense account as at March 31, 2020 | 3,36,200 |

*Note: During the FY 2019-20, Equity Shares of the Company have been sub-divided from one (1) fully paid-up Equity Share of Rs. 10/- each into five (5) fully paid-up Equity Share of Rs 2/- each, thus increasing the number of equity shares.*

**12.11** No shares were pledged by the directors. There is no stock option scheme prevailing in the Company.

**12.12** Details of branches of the Company are given on Page No. 1 of this Annual Report. The Company is not a manufacturing concern.

**12.13** In the opinion of the Board of Directors of the Company, Independent Directors fulfill the conditions as laid down under the Companies Act, 2013 read together with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

### 12.14 Details of Compliance with Corporate Governance Requirements

The Company has complied with the requirements specified in regulations 17 to 27 and clause (b) to clause (i) of sub- regulation (2) of regulation 46, wherever applicable, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## INDEPENDENT AUDITOR'S REPORT

**To the Members of**

**Jullundur Motor Agency (Delhi) Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Jullundur Motor Agency (Delhi) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition – Accruals for turnover discounts**<br>Generally in the markets, products are often sold with sales related turnover discounts. Sales are recorded based on the price specified in the sales contract/arrangement with the customers net of discounts, returns and taxes. However simultaneously estimated amount of turnover discounts would need to be incurred are also estimated and netted off from sales. Judgment is required to be exercised in determining the level of provisions that would need to be accrued. (Refer Note No. 2(G) for the accounting policies on Revenue Recognition) | We have performed the test controls as per the following procedures to the accuracy of revenue recognized and accrual for turnover discounts to the customers:<br>(a) Obtaining an understanding of the Management processes and control with regard to contractual arrangements for turnover discount to the customers.<br>(b) Obtained an understanding of key contractual arrangements with customer and Management's process for collecting the relevant information to be able to reasonably estimate the Company's obligation in this regard.<br>(c) Conducted review of contracts/arrangement, where such turnover discount existed and tested Management's basis for estimating the invoices to which such turnover discount will apply.<br>(d) Tested the application of the appropriate rates of |

| | | |
|---|---|---|
| | | discount and re-performed the test of arithmetic accuracy of the spreadsheet/ credit notes issued.<br>(e) Performed insight analysis over changes to prior period turnover discount & assessing the estimates considering the evidence in this regard. |
| 2 | **Net Realizable Value of Finished Goods**<br>Finished goods inventory are valued at lower of cost and estimated net realizable value (estimated selling price less estimated cost necessary to make the sale). Considering that there is always a volatility in the selling price of the finished goods inventory i.e. automobile parts & accessories, specially slow moving, damaged, unsalable inventories items, which is dependent upon various market conditions/ demand of the such items, determination of the net realizable value for these items involves significant management judgement and therefore has been considered as a key audit matter.<br>(Refer Note No. 2(F) for the accounting policies on Inventories) | We have performed the following procedure on test check basis to verify the accuracy of the inventory held and valuation of stock- in-trade including slow moving , damaged, unsalable or obsolete inventory:<br>(a) Obtaining an understanding of the Management processes and control with regard to inventory held at close of the year and valuation of stock- in -trade including slow moving, damaged, unsalable or obsolete inventory.<br>(b) Obtained an understanding of the determination of the cost or net realizable values of the stock-in- trade items i.e. automobile parts & accessories including slow moving, damaged, unsalable or obsolete items assessed and tested the reasonableness of the significant judgements applied by the management.<br>(c) Evaluated the design of internal controls relating to the stock- in-trade held and valuation of inventories including slow moving, damaged, unsalable or obsolete items and also tested the operating effectiveness of the aforesaid controls.<br>(d) Compared the cost of the stock-in-trade items with the estimated net realisable value and checked if such items were recorded at net realisable value where the cost was higher than the net realisable value.<br>(e) Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework. |
| 3 | **Modified Audit Procedures carried out in light of COVID-19 outbreak:**<br>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments / local administration during the period of our audit, we could not travel to the branches/offices of the company to carry out the audit processes physically at the respective branches/offices.<br>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the respective branches/offices, therefore we have identified such modified audit procedures as a Key Audit Matter. | Our ability to perform regular audit procedures has been impacted due to travel restrictions on account of nationwide lockdown, which has required us in certain cases to perform alternative audit procedures as under:<br>Wherever physical access was not possible, necessary records/ reports/ documents were made available to us by the management through digital medium, emails and remote access to ERP. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us, which were relied upon as audit evidence for conducting the audit and reporting for the current period, further making enquiries and gathering necessary audit evidence through discussions over phone calls, emails etc. with the concerned official of the company. |

**Emphasis of Matter**

We draw attention to Note 39 to the standalone financial statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and management's evaluation of the impact on the standalone financial statement of

the company as at the balance sheet date. As mentioned therein, the assessment of the Company does not indicate any material effect on the carrying value of its assets and liabilities of the Company as on the reporting date. The Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that :
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015, as amended;
   e) 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.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 :

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.( Refer Note 25 of Standalone Financial Statements)

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 001174N

Sd/-
**Charanjit Chuttani**
(Partner)
Membership No 090723
ICAI UDIN: 20090723AAAAAJ4007

Place: Gurugram
Date: 13 July, 2020

## Annexure 'A' to the Independent Auditor's Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jullundur Motor Agency (Delhi) Limited of even date)**

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

i. In respect of the Company's fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Further, as per the information provided to us, no material discrepancies were noticed on such verifications.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company except two flats purchased from DLF Home Developer Ltd for which Registration under Haryana Stamp Act is to be executed. However, possession had already been taken by the company.

   In respect of immovable properties been taken on lease and disclosed as Other Assets in the standalone financial statements, the lease agreements are 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 such verification is reasonable having regard to the size of the company and nature of its business. In our opinion and according to the information and explanations given to us the Company has maintained proper records of inventory in relation to the size of the company and nature of its business. The discrepancies noticed on verification between the physical stock and the book records were not material.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Company Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 , with respect to the loans given, investments made, guarantees and securities given. There is no transaction under Section 185 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Companies Act, 2013 any other relevant provisions of the Act and the relevant rules framed there under. Accordingly, the provisions of clause (v) of the Order are not applicable for the year.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148 of the Companies Act, 2013 for any of the services rendered by the Company. Accordingly, the provisions of clause (vi) of the Order are not applicable.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax / Sales tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

   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, Goods and Service tax, duty of Customs, duty of Excise, Value added tax / Sales tax, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no dues of income tax, value added tax / Sales tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below.

| Name of Statue | Nature of Dues | Amount | Period (F.Y.) | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act | Income Tax | 5,35,21,652 | 2004-2005<br>2005-2006<br>2011-2012<br>2016-2017<br>2017-2018 | Tribunal/CIT(Appeals)/CPC, New Delhi |
| Sales Tax, Kerala | Value added tax/ Sales tax | 13,72,323 | 2005-2006<br>2013-2014 | DCST(Appeals)/, Ernakulam, Kerela |
| Sales Tax, Haryana | Value added tax/ Sales tax | 6,81,657 | 2015-2016<br>2016-2017 | Assessing Officer, Haryana |
| Sales Tax, Jharkhand | Value added tax/ Sales tax | 2,11,683 | 2014-2015 | Appeal, Jamshedpur, Jharkhand |
| Sales Tax, UP | Value added tax/ Sales tax | 25,194 | 2013-2014 | Tribunal, Kanpur, Uttar Pradesh |
| **Total** | | **5,58,12,509** | | |

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

ix. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 001174N

Sd/-
**Charanjit Chuttani**
(Partner)
Membership No 090723
ICAI UDIN: 20090723AAAAAJ4007

Place: Gurugram
Date: 13 July, 2020

## Annexure 'B' to the Independent Auditor's Report

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jullundur Motor Agency (Delhi) Limited of even date)**

**Report on the Internal Financial Controls over Financial Reporting 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 Jullundur Motor Agency (Delhi) 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 Board of Directors of the Company 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 ("ICAI").

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 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting 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 Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 001174N

Sd/-
**Charanjit Chuttani**
(Partner)
Membership No 090723
ICAI UDIN: 20090723AAAAAJ4007

Place: Gurugram
Date: 13 July, 2020

## BALANCE SHEET AS AT 31ST MARCH, 2020

**(Amount in Lakhs)**

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 851.10 | 798.81 |
| Investment Property | 4 | 353.42 | 137.96 |
| Intangible assets | 3 | 15.82 | 52.36 |
| Financial Assets | | | |
| (i) Investments | 5 | 1,537.08 | 1,606.13 |
| (ii) Other financial assets | 6 | 2,662.53 | 3,156.24 |
| Deferred tax assets (net) | 15 | 12.30 | 11.23 |
| Other non-current assets | 7 | 24.70 | 244.91 |
| **Total Non-current assets** | | **5,456.95** | **6,007.64** |
| **Current assets** | | | |
| Inventories | 8 | 5,659.05 | 5,713.67 |
| Financial assets | | | |
| (i) Investments | 5 | - | 559.67 |
| (ii) Trade receivables | 9 | 4,734.17 | 5,913.49 |
| (iii) Cash and cash equivalents | 10 | 1,535.93 | 1,068.96 |
| (iv) Bank balance other than (iii) above | 10 | 190.20 | 201.74 |
| (v) Other financial assets | 6 | 3,951.04 | 2,507.70 |
| Current Tax Assets (Net) | 11 | 191.88 | - |
| Other current assets | 7 | 284.23 | 46.30 |
| **Total current assets** | | **16,546.50** | **16,011.53** |
| **TOTAL ASSETS** | | **22,003.45** | **22,019.17** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 12 | 596.36 | 596.36 |
| Other equity | 13 | 15,117.05 | 13,980.95 |
| **TOTAL EQUITY** | | **15,713.41** | **14,577.31** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Provisions | 14 | 47.48 | 59.01 |
| **Total non-current liabilities** | | **47.48** | **59.01** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 16 | 64.54 | 102.74 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 5,425.98 | 6,426.88 |
| (ii) Other financial liabilities | 17 | 554.05 | 524.96 |
| Other current liabilities | 18 | 76.20 | 191.07 |
| Provisions | 14 | 121.79 | 100.19 |
| Current tax liabilities (net) | 11 | - | 37.01 |
| **Total current liabilities** | | **6,242.56** | **7,382.85** |
| **Total Liabilities** | | **6,290.04** | **7,441.86** |
| **TOTAL EQUITY AND LIABILITIES** | | **22,003.45** | **22,019.17** |
| Notes forming part of financial statement | 1 to 40 | | |

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

Place : Gurugram
Date : 13 July, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

**(Amount in Lakhs)**

| Particulars | | Note | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|---|
| I | Revenue from operations | 19 | 30,415.55 | 32,716.58 |
| II | Other Income | 20 | 541.12 | 506.14 |
| III | Total Revenue (I+II) | | **30,956.67** | **33,222.72** |
| IV | Expenses : | | | |
| | Purchase of Stock in Trade | | 26,935.79 | 28,290.12 |
| | Changes in inventories of Stock in Trade | 21 | (667.76) | (125.63) |
| | Employee benefit expense | 22 | 1,923.75 | 1,834.08 |
| | Finance Cost | 23 | - | 2.97 |
| | Depreciation and amortization expense | 3 & 4 | 90.85 | 99.23 |
| | Other expenses | 24 | 958.64 | 1,068.76 |
| | Total expenses | | **29,241.27** | **31,169.53** |
| V | Profit before exceptional items and tax (III-IV) | | 1,715.40 | 2,053.19 |
| VI | Exceptional items | | - | - |
| VII | Profit before tax (V-VI) | | **1,715.40** | **2,053.19** |
| VIII | Tax expense | | | |
| | Current tax | | (425.00) | (695.00) |
| | Deferred tax | | (20.87) | (18.56) |
| | Tax for ealier years | | 0.85 | 4.43 |
| | Total Tax Expense | | **(445.02)** | **(709.13)** |
| IX | Profit for the year (VII+VIII) | | 1,270.38 | 1,344.06 |
| X | **Other comprehensive income** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | (i) Remeasurement of post employment benefit obligations | | (87.17) | (26.22) |
| | (ii) Income Tax relating to these items | | 21.94 | 9.16 |
| | (iii) Change in fair value of OCI equity instruments | | (69.05) | (36.33) |
| | (iv) Income Tax relating to these items | | | (1.05) |
| | **B. Items that will be reclassified to profit or loss** | | - | - |
| | **Total other comprehensive income for the period, net of tax** | | **(134.28)** | **(54.45)** |
| XI | **Total comprehensive income for the period (IX+X)** | | **1,136.10** | **1,289.62** |
| XII | Earnings per equity share (Basic & diluted) | 37 | | |
| | Basic | | 4.26 | 4.51 |
| | Diluted | | 4.26 | 4.51 |
| Notes forming part of financial statements | | 1 to 40 | | |

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

**(Amount in Lakhs)**

| | | 2019-2020 | 2018-2019 |
|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Net Profit before tax** | 1,715.40 | 2,053.19 |
| | Adjustment for: | | |
| | Depreciation and amortization expenses | 90.85 | 99.23 |
| | Interest Income | (459.96) | (426.29) |
| | Dividend Income | (77.79) | (65.25) |
| | (Profit) / Loss on redemption of mutual funds | 1.04 | 3.78 |
| | Rent Received | (1.04) | (1.03) |
| | Provision no longer required | - | (12.54) |
| | Fair value change of investment in mutual funds | - | (0.22) |
| | (Profit)/Loss on sale of property, plant and equipment | (2.33) | (1.03) |
| | **Operating profit before working capital changes** | **1,266.17** | **1,649.84** |
| | Adjustment for: | | |
| | Decrease/ (increase) in trade receivables | 1,179.32 | (430.04) |
| | Decrease/ (increase) in stock in trade | 54.62 | (398.32) |
| | Decrease/ (increase) in other non current assets | 220.21 | 1.01 |
| | Decrease/ (increase) in other current assets | (237.93) | 27.62 |
| | Decrease/ (increase) in other non current financial assets | (9.28) | (118.94) |
| | Decrease/ (increase) in other current financial assets | 34.19 | 52.57 |
| | (Decrease)/increase in trade payables | (1,039.11) | 486.42 |
| | (Decrease)/increase in other current financial liabilities | 40.64 | 47.20 |
| | (Decrease)/increase in other current liabilities | (114.87) | 96.11 |
| | (Decrease)/increase in provisions | (77.11) | (12.69) |
| | **Cash generated from operations** | **1,316.86** | **1,400.78** |
| | Income tax paid (net) | (653.05) | (670.97) |
| | **Net cash from operating activities** | **663.81** | **729.81** |
| **B** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment, including intangible assets and CWIP | (324.86) | (40.39) |
| | Proceeds from sale of property, plant and equipment | 5.14 | 5.13 |
| | Proceeds of investments (net) | 558.63 | (486.40) |
| | Bank deposits placed (net) | (817.52) | (161.68) |
| | Interest received | 302.94 | 398.72 |
| | Dividend received | 77.79 | 65.25 |
| | Rent received | 1.04 | 1.03 |
| | Net cash flow from investing activities | **(196.84)** | **(218.34)** |
| **C** | **CASH FLOW FORM FINANCING ACTIVITIES** | | |
| | Dividend paid including tax thereon | - | (575.16) |
| | **Net cash flow from financing activities** | **-** | **(575.16)** |
| | **Net increase/ decrease in cash and cash equivalents** | **466.97** | **(63.69)** |
| | **Opening cash and cash equivalents** | 1,068.96 | 1,132.65 |
| | **Closing cash and cash equivalents** | **1,535.93** | **1,068.96** |
| | **Cash and cash equivalent comprises :** | | |
| | Balance with banks | 986.05 | 761.37 |
| | Bank deposits with original maturity of less than 3 months | 480.00 | |
| | Cheques in hand | 55.11 | 285.26 |
| | Cash in hand | 14.77 | 22.32 |
| | **Total** | **1,535.93** | **1,068.96** |

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

**I) Equity Share Capital** **(Amount in Lakhs)**

| | Notes | Nos. | Amounts |
|---|---|---|---|
| Equity share of of Rs.2/- each(Previous year Rs.10/-) each issued, subscribed and fully paid | | | |
| **At April 1, 2019** | | 5,963,610 | 596.36 |
| Less : Due to subdivision of equity shares* | 12 | 5,963,610 | - |
| | | - | 596.36 |
| Add: Sub Division of Equity Shares issued during the year* | 12 | 29,818,050 | **-** |
| **At March 31, 2020** | | **29,818,050** | **596.36** |

* The shareholders of the company in its EGM held on 25th April 2019 have considered and approved sub division of one equity share of the company of Rs.10/- each into five equity shares of Rs.2/- each , due to which number of issued, subscribed and paid up shares of the company has changed to 2,98,18,050 equity shares of Rs.2/- each fully paid up.

**II) Other equity**

| | | Reserves and surplus | | | Other reserves | |
|---|---|---|---|---|---|---|
| | Notes | General reserve | Capital reserve | Retained earnings | Equity Instruments through Other Comprehensive Income | Total |
| **As at April 1, 2019** | | **13,600.00** | **0.14** | **359.51** | **21.30** | **13,980.95** |
| Profit for the year | 13 | **-** | **-** | 1,270.38 | - | **1,270.38** |
| Other comprehensive income for the year | 13 | **-** | **-** | (65.22) | (69.05) | **(134.27)** |
| Transfer from retained earnings to general reserve | | - | **-** | - | - | **-** |
| **As at March 31, 2020** | | **13,600.00** | **0.14** | **1,564.67** | **(47.75)** | **15,117.05** |

The Notes referred to above form an integral part of the Financial Statements

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

## Significant accounting policies and notes on accounts

**1 General Information**

Jullundur Motor Agency (Delhi) Limited is a public limited company incorporated and domiciled in India, listed on the the National Stock Exchange (NSE). The address of its registered office is 458-1/16, Sohna Road, Opposite New Court, Gurugram (Gurgaon) -122001. The Company is engaged predominantly in trading and distribution of automobile parts, accessories and petroleum products primarily in India.

**2 Significant accounting policies**

**A Basis of Preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the notified accounting standard under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting year as explained in the accounting policies below.

The accounting policies have been consistently applied by the Company except where a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**B Use of Estimates:**

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Difference between the actual results and estimates are recognised in the year in which the results materialise.

**C Property Plant and Equipment (PPE):**

(i) **Tangible Assets**

Property plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Improvement to PPE which has the effect of increasing the future benefits from the existing assets beyond their previously assessed standard of performance is included in the gross block.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as " capital work in progress".

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(ii) **Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are stated at original cost less accumulated amortization and impairment losses, if any

**D Depreciation and amortization**

Depreciation on PPE except buildings and plant and equipments is provided on the written down value basis at the rates derived, based on the useful life of the assets as specified in Schedule II to the Companies Act, 2013.

Depreciation on buildings and plant and equipment is provided on straight line basis at the rates as derived, based the useful life of the assets as specified in Schedule II to the Companies Act, 2013.

Intangible assets being software licenses are amortized on straight line method over their estimated useful life.

**E Financial Instruments**

(i) **Initial recognition**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company

determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

(ii) **Subsequent Measurement**

**a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets carried at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable "election based, on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

**c) Financial assets carried at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**d) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

**e) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

**f) Investment in subsidiaries**

Investment in subsidiaries is carried at cost in the financial statements.

(iii) **Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine fair value include available quoted market prices and discounted cash flow analysis. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of these instruments.

**F Inventories**

Finished goods and Goods in transit are valued at cost or estimated realizable value whichever is lower. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Slow moving, damaged, unsalable or obsolete inventories are identified at the each reporting date on the basis of technical evaluation and valued at estimated realizable value.

**G Revenue from contract with customer**

(i) **Sale of products**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the goods.

Revenues is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, sales incentives, returns and taxes. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

(ii) **Other operating revenue**

Other operational revenue represents income earned from activities incidental to the business and is recognised when right to receive the income is established.

(iii) **Other Income**

Interest income from a financial asset is recognized using the effective interest rate.

Dividend income is recognised in the year in which the right to receive the same is established.

**H Purchases**

Purchases are net of incentive and commission received from suppliers and adjusted for claims rejected and goods short received. Incentive and commission from suppliers are recognised when no significant uncertainty exists regarding their collectability.

**I 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 unsecured and are usually paid in accordance with the terms with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**J Foreign Exchange Transactions**

**Functional currency**

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian rupees (rounded off to rupee) which is the company's functional and presentation currency.

**K Employee benefits**

(i) **Short term employee benefits :**

All employee benefits due wholly within twelve months of rendering of services are classified as short term employee benefits. Benefits like salaries, wages, leave salary, contribution to Provident Fund/ Employee State Insurance contributions etc. paid or payable during the reporting year and the expected bonus expense are recognised as an expense on an undiscounted basis in the year in which the employee renders the related service.

(ii) **Post -employment benefits**

**a) Defined Contribution Plan**

The State governed Provident Fund Scheme, Employees' State Insurance Scheme and Employees Pension Scheme are defined contribution plans. The Company has no obligation, other than the contribution payable to the Provident Fund Scheme, Employees' State Insurance Scheme and Employees Pension Scheme. The contribution paid /payable under the schemes is recognised during the year in which employee renders the related service.

**b) Defined Benefit Plan**

The liability is provided based on actuarial valuation certified by consulting actuary. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) relating to retirement

benefit plans are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent years.

The Company's Gratuity is Defined Benefit Retirement Plan. The Company 's liability towards Gratuity is determined using the Projected Unit Credit Method which recognises each year of service as giving rise to additional unit of employee benefit entitlement.

In respect of Directors, the liability for gratuity is unfunded and in respect of other eligible employees, the Gratuity scheme is operated through Group Gratuity Scheme of Life Insurance Corporation of India.

**L Income taxes**

The accounting treatment followed for taxes on income is to provide for Current Income Tax and Deferred Income Tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior year is the aggregate amount of income tax determined as payable in respect of taxable income for the year, using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Income Tax asset and liability are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred Income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax is not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The company offsets current tax asset and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**M Provision and Contingencies**

i) Provision is recognised (for liabilities that can be measured by using a substantial degree of estimation) when:
   a) the company has a present obligation as a result of a past events.
   b) a probable outflow of resources embodying economic benefits is expected to settle the obligation ; and
   c) the amount of the obligation can be reliably estimated.

ii) Contingent liability is disclosed in case there is ;
   a) possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company : or
   b) a present obligation arising from past events but is not recognised because :
      (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation : or
      (ii) a reliable estimate of the amount of the obligation cannot be made.

**N Impairment**

(i) **Financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing components is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an impairment gain or loss in statement of profit or loss.

(ii) **Non-financial assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**O Earning per share (EPS)**

Basic EPS are computed by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding the during the year. Diluted earning per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. Items of "Other Comprehensive Income" are not considered for calculation of EPS (Basic or Diluted).

**P Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**Q Leases**

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease, lease term and the applicable discount rate.The Company assesses whether a contract is or 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.The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**R Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits 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 know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**Notes to Financial Statements for the year ended 31st March, 2020**

**Note No. 3**

**PROPERTY, PLANT AND EQUIPMENT** **(Amount in Lakhs)**

| Particulars | Freehold Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Computers | Total Tangible Assets | Software Licenses | Total Intangible Assets | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | | | |
| **As at April 1, 2019** | 227.62 | 497.09 | 9.04 | 62.03 | 83.27 | 26.77 | 54.22 | 960.03 | 147.41 | 147.41 | 1,107.44 |
| Additions | - | 42.41 | - | 11.05 | 40.39 | 6.52 | 5.71 | 106.08 | - | - | 106.08 |
| Disposals/Discarded during the year | - | - | 0.02 | 0.09 | 9.55 | 0.07 | 0.01 | 9.75 | - | - | 9.75 |
| **As at 31st March, 2020** | **227.62** | **539.50** | **9.02** | **72.99** | **114.10** | **33.22** | **59.91** | **1,056.35** | **147.41** | **147.41** | **1,203.77** |
| **Accumulated Depreciation/ Amortisation** | | | | | | | | | | | |
| **Upto April 1, 2019** | - | 26.89 | 5.10 | 30.54 | 44.89 | 16.39 | 37.40 | 161.22 | 95.05 | 95.05 | 256.27 |
| For the year | - | 9.29 | 1.62 | 9.16 | 16.19 | 5.14 | 9.58 | 50.98 | 36.55 | 36.55 | 87.53 |
| Disposals/Discarded during the year | - | - | - | 0.02 | 6.92 | - | - | 6.94 | - | - | 6.94 |
| **As at 31st March, 2020** | **-** | **36.19** | **6.72** | **39.69** | **54.16** | **21.53** | **46.98** | **205.26** | **131.59** | **131.59** | **336.85** |
| **Net Carring Amount** | | | | | | | | | | | |
| **As at 31st March, 2020** | **227.62** | **503.31** | **2.30** | **33.30** | **59.95** | **11.69** | **12.93** | **851.10** | **15.82** | **15.82** | **866.91** |
| **As at 31st March, 2019** | **227.62** | **470.19** | **3.95** | **31.49** | **38.38** | **10.38** | **16.81** | **798.81** | **52.36** | **52.36** | **851.18** |

## Notes to Financial Statements for the year ended 31st March, 2020

**Note No. 4: Investment Property** **(Amount in Lakhs)**

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Cost** | | |
| **Cost as at April 1, 2019** | - | - |
| Opening gross block | 144.94 | 144.94 |
| Addition | 218.78 | - |
| Deletion | - | - |
| **Closing gross block** | **363.72** | **144.94** |
| **Depreciation** | | |
| Opening Balance | 6.98 | 4.65 |
| Addition | 3.32 | 2.33 |
| **Closing Balance** | **10.30** | **6.98** |
| **Net Block** | **353.42** | **137.96** |

For investment property existing as on 1 April 2016 i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

**Information regarding income and expenditure of Investment property**

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Rental income derived from investment properties | 1.04 | 1.03 |
| Direct operating expenses(including repairs and maintenance) generating rental income | 3.03 | 1.88 |
| Profit arising from investment properties before depreciation and indirect expenses | (1.99) | (0.85) |
| Less: Depreciation | 3.32 | 2.33 |
| **Profit / (Loss) arising from investment properties before indirect expenses** | (5.31) | (3.18) |

As at 31 March 2020 and 31 March 2019 the fair values of the investment property are Rs.8.66 crores and Rs 7.23 crores respectively.These values are based on available market quotes/ prevalent property prices in the same and nearby localities.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

| 5 | Investments | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **Non-Current investments** | | |
| | Investment in Equity Shares of Subsidiaries | 1271.90 | 1271.90 |
| | Investments in Bonds | 186.34 | 186.34 |
| | Investments in Equity Instruments | 78.85 | 147.90 |
| | Others | - | - |
| | **Total Non-current investment** | **1537.08** | **1606.13** |
| | **Current investments** | | |
| | Investment in mutual funds | - | 559.67 |
| | **Total current investment** | **-** | **559.67** |
| | **Total carrying value** | **1537.08** | **2165.81** |

**Non-Current investments**

**Unquoted, fully paid-up**

| **Investment carried at cost** | **No. of shares** | | **(Amount in Lakhs)** | |
|---|---|---|---|---|
| **In Equity Shares of Subsidiary companies** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| ACL Components Ltd. Face value of Rs.5/- each | 93,620 | 93,620 | 8.39 | 8.39 |
| Jullundur Auto Sales Corporation Ltd Face value of Rs.5/- each | 204,762 | 204,762 | 27.51 | 27.51 |
| JMA Marketing Limited (Formaly known as JMA Rane Marketing Limited) Face value of Rs.10/- each | 720,006 | 720,006 | 1236.00 | 1236.00 |
| | | | **1271.90** | **1271.90** |

| **Investments carried at amortized cost** | **No. of bonds** | | | |
|---|---|---|---|---|
| **Investments in Bonds (Tax-free)** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| National Highways Authority of India of Rs.1000/- each | 6,679 | 6,679 | 66.79 | 66.79 |
| Power Finance Corporation Ltd of Rs.1,00,000/- each | 50 | 50 | 50.00 | 50.00 |
| Power Finance Corporation Ltd of Rs.1000/- each | 2,848 | 2,848 | 28.48 | 28.48 |
| Housing Urban Development Corporation of Rs. 1000/- each | 701 | 701 | 7.01 | 7.01 |
| India Renewable Energy Development Ltd of Rs.1000/-each | 3,406 | 3,406 | 34.06 | 34.06 |
| | | | **186.34** | **186.34** |

**Investment carried at fair value through other comprehensive income**

| | **No. of shares** | | | |
|---|---|---|---|---|
| **Others** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| Jonas Woodhead & Sons(India) Ltd. of Rs.10/- each | 604 | 604 | 0.06 | 0.06 |
| Lahore Sialkot and Kashmir | | | - | - |
| | | | 0.06 | 0.06 |
| Less: Provision for diminution in value of investment | | | (0.06) | (0.06) |
| | | | **-** | **-** |

**Quoted, fully paid-up**

**Investment carried at fair value through other comprehensive income**

| **Investment in equity Instruments** | **No. of shares** | | | |
|---|---|---|---|---|
| **Trade** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| Banco Products Ltd. Rs.2/- each | 1,000 | 1,000 | 0.65 | 1.54 |
| Bharat Forge Ltd Rs. 2/- each | 1,000 | 1,000 | 2.35 | 5.12 |
| Exide Industries Ltd Rs.1/- each | 3,000 | 3,000 | 3.95 | 6.56 |
| Gabriel India Ltd Rs.1/- each | 2,000 | 2,000 | 1.07 | 2.89 |
| IP Rings Ltd Rs.10/- each | 1,000 | 1,000 | 0.39 | 1.04 |
| ITC Limited Rs.1/- each | 2,000 | 2,000 | 3.43 | 5.95 |

| Investment in equity Instruments *(Contd.)* | No. of shares | | (Amount in Lakhs) | |
|---|---|---|---|---|
| **Trade** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| Jai Prakash Power Ventures Ltd. of Rs.10/- each | 5,000 | 5,000 | 0.03 | 0.09 |
| JK Tyres and industries Ltd Rs.2/- each | 7,500 | 7,500 | 3.05 | 6.89 |
| Larsen & Turbo Ltd Rs.2/- each | 500 | 500 | 4.04 | 6.93 |
| LIC Housing Finance Ltd Rs.2/- each | 1,000 | 1,000 | 2.35 | 5.32 |
| Mahindra and Mahindra Ltd Rs.5/- each | 2,000 | 2,000 | 5.70 | 13.48 |
| Maruti Suzuki Ltd Rs.5/- each | 500 | 500 | 21.44 | 33.36 |
| PAE Ltd Rs.10/- each | 500 | 500 | 0.01 | 0.01 |
| Power Finance Corporation Ltd Rs.10/- each | 5,000 | 5,000 | 4.60 | 6.16 |
| Rane Engine Valve Ltd Rs.10/- each | 243 | 243 | 0.32 | 1.13 |
| Rane Holdings Ltd Rs.10/- each | 915 | 915 | 2.95 | 10.90 |
| Rane (Madras) Ltd Rs.10/- each | 200 | 200 | 0.28 | 0.72 |
| Rural Electrification Ltd. Rs.10/- each | 2,500 | 2,500 | 2.22 | 3.82 |
| State Bank of India Rs.1/-each | 2,000 | 2,000 | 3.94 | 6.42 |
| Sterling Tools Ltd Rs.10/- each | 1,000 | 1,000 | 1.32 | 3.25 |
| Sundaram Brake Lining Ltd Rs.10/- each | 225 | 225 | 0.36 | 0.72 |
| Sundram Clayton Ltd Rs.5/- each | 250 | 250 | 3.73 | 7.23 |
| Sundram Fastners Ltd Rs.1/- each | 500 | 500 | 1.46 | 2.83 |
| Tata Motor Ltd. Rs.2/- each | 1,000 | 1,000 | 0.71 | 1.74 |
| Tata Steel Ltd.Rs.10/- each | 1,000 | 1,000 | 2.70 | 5.21 |
| Tech Mahindra Ltd. Rs.5/- each | 500 | 500 | 2.83 | 3.88 |
| TVS Motor Company Ltd Rs.1/- each | 1,000 | 1,000 | 2.98 | 4.71 |
| | | | **78.85** | **147.90** |
| **Total Non-current investments** | | | **1,537.08** | **1,606.13** |

**Current investments**

**Unquoted fully paid-up**

**Investment carried at fair value through profit and loss**

| Investment in debt mutual funds | No. of units | | | |
|---|---|---|---|---|
| | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| ICICI Prudential Liquid Fund | - | 558,626.382 | - | 559.67 |
| **Total Current investments** | | | **-** | **559.67** |

| | | |
|---|---|---|
| Aggregate amount of quoted investments and market value thereof | 78.85 | 147.90 |
| Aggregate value of unquoted investment | 1,458.30 | 2,017.97 |
| Aggregate amount of impairment in value of investments | (0.06) | (0.06) |
| Investments carried at cost | 1,271.90 | 1,271.90 |
| Investments carried at amortized cost | 186.34 | 186.34 |
| Investment carried at fair value through other comprehensive income | 78.85 | 147.90 |
| Investment carried at fair value through profit and loss | - | 559.67 |

(Amount in Lakhs)

| 6 | Other financial assets | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **Non-current** | | |
| | **Unsecured, considered good** | | |
| | **Financial assets carried at amortized cost** | | |
| | Security Deposits | 15.77 | 6.49 |
| | Other deposit with more than 12 months maturity | 2168.90 | 2757.80 |
| | Bank Deposit on margin money for Bank guarantee (refer note no.10) | 270.81 | 193.29 |
| | Interest accrued but not due | 207.05 | 198.65 |
| | **Total other non-current financial assets** | **2662.53** | **3156.24** |
| | **Current** | | |
| | **Financial assets carried at amortized cost** | | |
| | **Unsecured, considered good** | | |
| | Advances recoverable | 24.18 | 54.97 |
| | Other deposits less than 12 months maturity | 3506.04 | 2177.13 |
| | Security deposits | 62.44 | 65.85 |
| | Interest accrued but not due | 358.37 | 209.75 |
| | **Total other current financial assets** | **3951.04** | **2507.70** |

| 7 | Other assets | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **Non-current** | | |
| | **Unsecured considered good** | | |
| | Capital Advances* | - | 219.20 |
| | Leasehold land | 16.08 | 16.66 |
| | Other advances | 8.62 | 9.05 |
| | **Total other non-current assets** | **24.70** | **244.91** |
| | * Capital Advances capitalized to investment property / Property Plant and Equipment | | |
| | **Current** | | |
| | **Unsecured considered good** | | |
| | Prepaid expenses | 17.96 | 19.14 |
| | Claims recoverable | 12.65 | 24.65 |
| | Leasehold land | 0.58 | 0.58 |
| | Other Recoverable* | 253.04 | 1.94 |
| | * Includes GST recoverable | | |
| | **Total other current assets** | **284.23** | **46.30** |

| 8 | Inventories (at lower of cost and net realizable value) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | Stock in trade | 5026.99 | 4359.23 |
| | Goods in transit | 632.06 | 1354.45 |
| | **Total** | **5,659.05** | **5,713.67** |

(Amount in Lakhs)

| 9 Trade Receivables | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Unsecured, considered good | 4734.17 | 5913.49 |
| Unsecured, considered doubtful | 21.42 | 17.58 |
| Less: Allowances for credit losses | (21.42) | (17.58) |
| **Total** | **4734.17** | **5913.49** |

The credit period generally allowed on domestic sales varies from 45 to 60 days.

**Allowances for credit losses**

| | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Balance at the beginning | 17.58 | 37.67 |
| Allowances made during the year | 21.42 | 17.58 |
| Written off during the year | 17.58 | 37.67 |
| **Balance at the end** | 21.42 | 17.58 |

| 10 Cash and Bank balances | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Cash and cash equivalents** | | |
| **Bank balances** | | |
| Balance with banks | 986.05 | 761.37 |
| Bank deposits with original maturity of less than 3 months | 480.00 | - |
| Cheques in hand | 55.11 | 285.26 |
| Cash in hand | 14.77 | 22.32 |
| **Total Cash and Cash equivalents** | **1535.93** | **1068.96** |
| **Other bank balances** | | |
| Bank deposits with original maturity of more than 12 months | 100.95 | 100.95 |
| Bank Deposit on margin money for Bank guarantee | 270.81 | 193.29 |
| Unclaimed dividend account | 89.25 | 100.79 |
| | **461.01** | **395.03** |
| Less:- Reported under Other financial assets (refer note 6) | (270.81) | (193.29) |
| **Total other bank balances** | **190.20** | **201.74** |
| **Total Cash and Bank Balances** | **1726.13** | **1270.69** |

| 11 Current Tax Assets/(liabilities) (Net) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Provision for income tax (net of payment) | 191.88 | (37.01) |
| | **191.88** | (37.01) |

| 12 Equity Share Capital | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Authorized Share Capital** | | |
| 50000000 (Previous year 10000000) equity shares of Rs.2/-each (Previous year Rs.10/-)(par value) | 1000 | 1000 |
| **Issued, subscribed and paid-up** | | |
| 29818050 (Previous year 5963610) Equity Shares of Rs.2/- (previous year Rs.10/-) each fully paid-up (par value) | 596.36 | 596.36 |
| **Total** | **596.36** | **596.36** |

**a) Reconciliation of number of shares outstanding and amount of share capital** **(Amount in Lakhs)**

| Equity Shares | 31st March 2020 | | 31st March 2019 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity shares outstanding at the beginning of the year | 5,963,610 | 596.36 | 5,963,610 | 596.36 |
| Less : Due to sub Division of Equity shares * | 5,963,610 | - | | |
| | - | 596.36 | 5,963,610 | 596.36 |
| Add: Sub Division of Equity shares issued during the year * | 29818050 | - | - | - |
| Equity shares outstanding at the end of the year* | 29,818,050 | 596.36 | 5,963,610 | 596.36 |

**b) Terms/rights attached to equity shares**

The company has one class of shares referred to Equity Shares having par value of Rs.2/- each. Each holder of equity share is entitled to one vote per share.

During the year 31st March,2020 the amount of dividend of Rs. Nil per share each recognized as distribution to equity shareholders (Previous year Rs.4 per equity shares).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any part of the remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

*The shareholders of the company in its EGM held on 25th April 2019 have considered and approved sub division of one equity share of the company of Rs.10/- each into five equity shares of Rs.2/- each, due to which number of issued , subscribed and paid up shares of the company has changed to 2,98,18,050 equity shares of Rs.2/- each fully paid up.

**c) Shares held by holding company or ultimate holding company or subsidiaries or associates of the holding company or the holding company**

There is no holding or ultimate holding company of the company

**d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

| | |
|---|---|
| Equity Shares allotted as fully paid up by way of bonus shares | - 29,81,805 equity shares of Rs. 10/- each alloted by way of bonus shares as on 2nd May,2013 |
| Equity Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash | - |
| Equity Shares bought back by the company | - |

**e) The details of Shareholders holding more than 5% of shares**

| Equity Shares | 31st March 2020 | | 31st March 2019 | |
|---|---|---|---|---|
| | No. of shares held* | % of shares | No. of shares held* | % of shares |
| Mr.Virat Sondhi | 5,742,520 | 19.26% | 1,141,504 | 19.14% |
| Mr.Ranjit Puri | 2,043,760 | 6.85% | 408,752 | 6.85% |
| Mrs. Shuchi Arora | 1,842,570 | 6.18% | 368,514 | 6.18% |
| Mrs. Santosh Sondhi | 1,511,380 | 5.07% | 302,276 | 5.07% |

**f) Terms of securities convertible into equity /preference shares**

There are no securities convertible into equity /preference shares.

**(Amount in Lakhs)**

| 13 | Other Equity | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| a | **Capital Reserves** | | |
| | Opening Balance | 0.14 | 0.14 |
| | Additions / (Deletions) | - | - |
| | Balance at the end of the year | 0.14 | 0.14 |

(Amount in Lakhs)

| 13 Other Equity *(Contd.)* | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **b) Other Reserves** | | |
| **General Reserve** | | |
| Opening Balance | 13600.00 | 12600.00 |
| Add : Transfer from retained earning | - | 1000.00 |
| Balance at the end of the year | 13600.00 | 13600.00 |
| **c) Retained earning** | | |
| Opening Balance | 359.51 | 607.66 |
| Add : Profit for the year | 1270.38 | 1344.06 |
| Add : Other comprehensive Income net of deferred tax | (65.22) | (17.06) |
| | 1,564.67 | 1,934.67 |
| Less: Transfer to General Reserve | - | 1000.00 |
| Less: Equity dividend and tax thereon | - | 575.16 |
| | - | 1,575.16 |
| Balance at the end of the year | 1,564.67 | 359.51 |
| **Equity Instruments through Other Comprehensive Income** | | |
| Opening Balance | **21.30** | **58.69** |
| Change in fair value of FVOCI equity instruments | (69.05) | (36.33) |
| Deferred tax | - | (1.05) |
| Balance at the end of the year | **(47.75)** | **21.30** |
| **Total** | **15,117.05** | **13,980.95** |

| Distribution Made and Proposed | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended on 31 March 2018: Rs. 4/- per share. | - | 238.54 |
| Dividend tax on final dividend | - | 49.03 |
| Interim dividend for the year ended on 31 March 2019: Rs.4/- per share | - | 238.54 |
| Dividend Distribution Tax on interim dividend | - | 49.03 |
| | **-** | **575.16** |

| 14 Provisions | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Non-current** | | |
| **Provision for employee benefits** | | |
| Provisions for Gratuity (Net) | 47.48 | 59.01 |
| **Total non-current provisions** | **47.48** | **59.01** |
| **Current** | | |
| **Provision for employee benefits** | | |
| Provisions for Gratuity | 121.79 | 100.19 |
| **Total current provisions** | **121.79** | **100.19** |

(Amount in Lakhs)

| 15 Deferred Tax (Asset) / liability (Net) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Deferred Tax Liability** | | |
| Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortization for financial reporting | 48.34 | 63.07 |
| **Total deferred tax liability** | **48.34** | **63.07** |
| **Deferred Tax Assets** | | |
| Allowance for doubtful debts and advances | 5.39 | 6.14 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 55.25 | 68.15 |
| **Total deferred tax assets** | **60.64** | **74.30** |
| **Total** | **(12.30)** | **(11.23)** |

| Reconciliation of deferred tax liability | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Opening deferred tax (Asset) / liability, net | (11.23) | (21.67) |
| Deferred tax (credit)/charge recorded in statement of profit and loss | 20.87 | 18.56 |
| Deferred tax (credit)/charge recorded in OCI | (21.94) | (8.11) |
| **Closing deferred tax (Asset) / liability, net** | **(12.30)** | **(11.23)** |

**The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:**

| | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Profit or loss section** | | |
| **Current Income Tax** | | |
| Current income tax charge | 425.00 | 695.00 |
| Adjustment of tax relating to earlier periods | (0.85) | (4.43) |
| **Deferred Tax** | | |
| Relating to origination and reversal of temporary differences | 20.87 | 18.56 |
| **Income tax expenses reported in the statement of profit or loss** | **445.02** | **709.13** |
| **OCI Section** | | |
| **Deferred tax related to items recognized in OCI during in the year:** | | |
| Re-measurement loss defined benefit plans and others | **(21.94)** | **(8.11)** |
| **Income tax credit through OCI** | (21.94) | (8.11) |

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019 :**

| | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Accounting profit before income tax | 1,715.40 | 2,053.19 |
| At India's statutory income tax rate | 431.77 | 717.47 |
| Adjustments in respect of current income tax of previous years | (0.85) | (4.43) |
| Tax benefits under various sections of Income tax Act | (23.23) | (27.87) |
| Disallowances under Income Tax Act | 20.93 | 8.73 |
| Others | 16.40 | 15.23 |
| **Income tax expense reported in the statement of profit and loss** | **445.02** | **709.13** |

(Amount in Lakhs)

| 16 Trade Payables | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises* | 64.54 | 102.74 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5425.98 | 6426.88 |
| **Total** | 5490.52 | 6529.62 |

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire current year closing balance represents the principal amount payable to these enterprises.

| 17 Other financial liabilities | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Current** | | |
| Employee benefits payable | 166.38 | 153.86 |
| Trade receivables having credit balance | 56.74 | 72.03 |
| Unclaimed dividend * | 89.25 | 100.79 |
| Other Expenses payable | 225.31 | 164.61 |
| Other payables | 16.37 | 33.67 |
| **Total other current financial liabilities** | **554.05** | **524.96** |

* Unclaimed dividend does not include any amount due for credit to Investor Education and Protection Fund.

| 18 Other liabilities | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Current** | | |
| Statutory liabilities | 36.56 | 122.93 |
| Income received in Advance | 31.13 | 55.36 |
| Other liabilities# | 8.51 | 12.77 |
| **Total other current liabilities** | **76.20** | **191.07** |

# This includes claims payable .

(Amount in Lakhs)

| 19 Revenue from operations | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Sales of auto spare parts and accessories | 30299.39 | 32610.49 |
| Other operating income | 116.16 | 106.09 |
| **Total** | **30415.55** | **32716.58** |

| 20 Other Income | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Interest income | 459.96 | 426.29 |
| Dividend income | 77.79 | 65.25 |
| **Other non operating incomes** | | |
| - Provision no longer required | - | 12.54 |
| - Profit on sale of property, plant and equipment (net) | 2.33 | 1.03 |
| - Rent | 1.04 | 1.03 |
| **Total** | **541.12** | **506.14** |

(Amount in Lakhs)

| 21 (Increase) / decrease in stock in value | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Opening Stock in trade | 4359.23 | 4233.60 |
| Closing Stock in trade | 5026.99 | 4359.23 |
| **Total** | **(667.76)** | **(125.63)** |

| 22 Employee benefits expense | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Salary, Bonus and benefits | 1,611.53 | 1,493.41 |
| Contribution to PF ,ESI, gratuity etc. | 201.31 | 177.66 |
| Staff Welfare expenses | 69.38 | 71.61 |
| Commission paid | - | - |
| Managing and Joint Managing Directors | 25.24 | 64.53 |
| Staff members | 16.28 | 14.69 |
| Gratuity provision for Managing and Joint Managing Director | - | 12.18 |
| **Total** | **1,923.75** | **1,834.08** |

| 23 Finance charges | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Interest paid to others | - | 2.97 |
| **Total** | **-** | **2.97** |

| 24 Other expenses | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Rent | 144.83 | 138.61 |
| Electricity & Water Charges | 33.52 | 37.77 |
| Travelling & Conveyance | 192.79 | 196.91 |
| Insurance | 8.69 | 4.40 |
| Repairs & Renewals | - | - |
| Buildings | 3.84 | 19.95 |
| Others | 47.00 | 43.27 |
| Directors' Sitting Fees | 14.60 | 9.80 |
| Rate and Taxes | 12.65 | 8.49 |
| Miscellaneous Expenditure | 427.41 | 514.64 |
| Rebates & Write off | 24.02 | 44.25 |
| Auditor's Remuneration | 8.91 | 8.81 |
| Corporate Social Responsibility expenditure | 39.35 | 38.30 |
| Net loss on sale/redemption of investments in debt mutual funds/ fair valuation gain / loss on investment in debt mutual funds * | 1.04 | 3.56 |
| **Total** | **958.64** | **1,068.76** |

* Includes net loss on sales / redemption of investment in debt mutual funds of Rs. 1.04 lakhs (previous year Rs.3.78 lakhs)

| Auditor's Remuneration | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Audit Fees | 7.50 | 7.50 |
| Certification & other services | 0.18 | - |
| Reimbursement of expense | 1.24 | 1.31 |
| **Total** | **8.91** | **8.81** |

(Amount in Lakhs)

| 25 | Contingent liabilities and commitments (To the extent not provided for) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **(i) Contingent Liabilities** | | |
| | (a) Claims against the company not acknowledged as debts | 2.14 | 2.14 |
| | (b) Guarantees | 270.81 | 189.01 |
| | (d) Other money for which the company is contingently liable (Sales tax Demand disputed by the company) | 22.91 | 28.52 |
| | (d) Other money for which the company is contingently liable (Income tax Demand disputed by the company) (Rs. 115.01 lakhs paid by the company under protest against dispute demand of income tax.) | 650.23 | 89.24 |
| | **(ii) Commitments** | - | - |
| | (a) Estimated amount of contracts remaining to be executed on capital account (net of advance) | - | 19.63 |
| | (b) Uncalled liability on shares and other investments partly paid | - | - |
| | **Total Contingent liabilities and commitments** | **946.09** | **328.55** |

| 26 | Corporate Social Responsibility expenditure | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|
| | Gross amount required to be spent during the year | 39.35 | 38.27 |
| | Amount spent during the year | 39.35 | 38.30 |

**27 Capital management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings.

Total equity of the Company as on 31st March, 2020 Rs.15,713 lakhs (as on 31st March, 2019 Rs.14,577 lakhs.)

**28 Disclosures on financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

**a) Financial assets and liabilities** **(Amount in Lakhs)**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2020

| Particulars | Amortized Cost | Financial assets / liabilities at fair value through profit or loss | | Financial assets / liabilities at fair value through OCI | | Total Carrying Value | Total Fair Value |
|---|---|---|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| **Financial Assets** | | | | | | | |
| Investments in bonds * | 186.34 | - | - | - | - | 186.34 | 186.34 |
| Investments in Equity Instruments | - | - | - | 78.85 | - | 78.85 | 78.85 |
| Investment in mutual funds | - | - | - | - | - | - | - |
| Trade receivables | 4,734.17 | - | - | - | - | 4,734.17 | 4,734.17 |
| Cash and cash equivalents | 1,535.93 | - | - | - | - | 1,535.93 | 1,535.93 |
| Other bank balance | 190.20 | - | - | - | - | 190.20 | 190.20 |
| Other financial assets - Non current | 2,662.53 | - | - | - | - | 2,662.53 | 2,662.53 |
| Other financial assets - Current | 3,951.04 | - | - | - | - | 3,951.04 | 3,951.04 |
| | **13,260.21** | **-** | **-** | **78.85** | **-** | **13,339.05** | **13,339.05** |
| **Financial Liabilities** | | | | | | | |
| Trade payables | 5,490.52 | - | - | - | - | 5,490.52 | 5,490.52 |
| Other financial liabilities - Current | 554.05 | - | - | - | - | 554.05 | 554.05 |
| | **6,044.58** | **-** | **-** | **-** | **-** | **6,044.58** | **6,044.58** |

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019

| Particulars | Amortized Cost | Financial assets / liabilities at fair value through profit or loss | | Financial assets / liabilities at fair value through OCI | | Total Carrying Value | Total Fair Value |
|---|---|---|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| **Financial Assets** | | | | | | | |
| Investments in bonds * | 186.34 | - | - | - | - | 186.34 | 186.34 |
| Investments in Equity Instruments | - | - | - | 147.90 | - | 147.90 | 147.90 |
| Investment in mutual funds | - | - | 559.67 | - | - | 559.67 | 559.67 |
| Trade receivables | 5,913.49 | - | - | - | - | 5,913.49 | 5,913.49 |
| Cash and cash equivalents | 1,068.96 | - | - | - | - | 1,068.96 | 1,068.96 |
| Other bank balance | 201.74 | - | - | - | - | 201.74 | 201.74 |
| Other financial assets - Non current | 3,156.24 | - | - | - | - | 3,156.24 | 3,156.24 |
| Other financial assets - Current | 2,507.70 | - | - | - | - | 2,507.70 | 2,507.70 |
| | **13,034.46** | **-** | **559.67** | **147.90** | **-** | **13,742.03** | **13,742.03** |
| **Financial Liabilities** | | | | | | | |
| Trade payables | 6,529.62 | - | - | - | - | 6,529.62 | 6,529.62 |
| Other financial liabilities - Current | 524.96 | - | - | - | - | 524.96 | 524.96 |
| | **7,054.59** | **-** | **-** | **-** | **-** | **7,054.59** | **7,054.59** |

* Note : Fair value is same as current value since interest upto close of financial year has already been considered.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This level of hierarchy include Company's over-the counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2020 and 2019

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2020 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in Equity Instruments | 78.85 | 78.85 | - | - |
| Investment in mutual funds | - | - | - | - |

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2019 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in Equity Instruments | 147.90 | 147.90 | - | - |
| Investment in mutual funds | 559.67 | 559.67 | - | - |

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2020 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in bonds | 186.34 | - | - | 186.34 |

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2019 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in bonds | 186.34 | - | - | 186.34 |

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

**b) Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the board of directors.

**i) Market risk**

**Equity Price risk**

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities.

The fair value of Company's investment in quoted equity securities as at March 31, 2020 and March 31,2019 was Rs.78.84 lakhs and Rs.147.89 lakhs respectively. A 10% change in equity price as at March 31, 2020 and March 31, 2019 would result in an impact of Rs.7.88 lakhs and Rs.14.79 lakhs respectively.

The fair value of some of the Company's investments measured at fair value through profit or loss exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted mutual funds as at March 31, 2020 and March 31, 2019 was Nil and Rs.559.67 lakhs respectively. A 10% change in equity price as at March 31, 2020 and March 31,2019 would result in an impact of Nil and Rs.55.97 lakhs respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

**ii) Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit or loss, trade receivables, loans and advances . None of the financial instruments of the Company result in material concentrations of exposure to credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs.13,245.44 lakhs as at March 31, 2020 and Rs.13,571.81 lakhs as at March 31, 2019, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2020, that defaults in payment obligations will occur.

**iii) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, bonds and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2020

| Financial liabilities | Due in Ist year | Due in 2nd year | Due in 3rd year | Due in 4th year | Due in 5th year | Total contractual cash flows |
|---|---|---|---|---|---|---|
| Trade Payables | 5,490.52 | - | - | - | - | 5,490.52 |
| Other financial liabilities | 554.05 | - | - | - | - | 554.05 |

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019

| Financial liabilities | Due in Ist year | Due in 2nd year | Due in 3rd year | Due in 4th year | Due in 5th year | Total contractual cash flows |
|---|---|---|---|---|---|---|
| Trade Payables | 6,529.62 | - | - | - | - | 6,529.62 |
| Other financial liabilities | 524.96 | - | - | - | - | 524.96 |

**29 Related Party Disclosure**

**Key Management Personnel & Relatives**

1. Mr.Virat Sondhi, Managing Director
2. Mr.Deepak Arora, Jt.Managing Director
3. Mr.Narinder Pal Singh, CFO
4. Mr.Sachin Saluja, Company Secretary upto 14th November.2019
5. Mr. Ramkesh Pal, Company Secretary w.e.f. 14th November.2019

(Amount in Lakhs)

**Relatives**

Mrs.Shuchi Arora (Wife of Mr.Deepak Arora and daughter of Mr.Virat Sondhi)
Mrs.Aditi Arora Malik, President ( Daughter of Mr.Deepak Arora)
Miss Ashana Arora, Vice President (Daughter of Mr.Deepak Arora)
Mr. Varoon Malik, COO ( Son in law of Mr.Deepak Arora)

| Related Parties | Nature of Transactions |
|---|---|
| **Subsidiary** | |
| JMA Marketing Ltd. formally known as (JMA Rane Marketing Ltd.) | No transaction |
| **Entities treated as Subsidiaries** | |
| ACL Components Ltd | No transaction |
| Jullundur Auto Sales Corporation Ltd. | Rent received |
| **Others** | |
| SCV & Co. LLP in which one of the directors is interested | Professional charges |
| The Yamuna Syndicate Ltd. - Company in which one of the directors is interested | Sale of goods |

**Transactions with Related Parties**

| Nature of Transaction | Associates | Key Management Personnel | Relative of Key Management Personnel | Others | Total |
|---|---|---|---|---|---|
| **Remuneration** | - | 232.12 | 122.50 | - | 354.62 |
| | - | (284.94) | (59.04) | - | (343.99) |
| **Professional charges** | - | - | - | 0.69 | 0.69 |
| | - | - | - | (4.50) | (4.50) |
| **Rent received** | 0.60 | - | - | - | 0.60 |
| | (0.60) | - | - | - | (0.60) |
| **Sitting Fees** | - | - | 0.80 | - | 0.80 |
| | - | - | (0.70) | - | (0.70) |
| **Sale of goods** | - | - | - | 0.53 | 0.53 |

(Corresponding figures of previous year are given in brackets.)

| Compensation to key managerial persons | 2019-2020 | 2018-2019 |
|---|---|---|
| Short term employee benefits | 232.12 | 272.76 |
| | - | - |
| Post employment benefits* | - | 12.18 |
| | - | - |
| Other long term benefits | - | - |
| | **232.12** | **284.94** |

* excludes provision for gratuity for certain key management personnel as a separate actuarial valuation is not available.

**30 Segment Reporting**

The company is dealing in one class of goods i.e. automobile parts & accessories and located in one country i.e. India. Since the company operated in a single business/ geographical segment, information is not required by Ind AS -108 Operating Segments.

**31** In accordance with Ind AS -36 'Impairment of Assets', the company has assessed as on the Balance Sheet date, whether there are any indications with respect to impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of the recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

**32** Detail of significant investment in subsidiaries and joint ventures **(Amount in Lakhs)**

| Name of the Company | Country of incorporation | % direct holding | |
|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 |
| **Subsidiaries** | | | |
| ACL Components Ltd. | India | 46.55% | 46.55% |
| Jullundur Auto Sales Corporation Ltd. | India | 49.72% | 49.72% |
| JMA Marketing Ltd. formally known as (JMA Rane Marketing Ltd.) | India | 97.94% | 97.94% |

**33 Employee Benefits**

**Defined Contribution Plan**

During the year the Company has recognized the following amounts in the statement of profit and loss:

| Plans | 2019-2020 | 2018-2019 |
|---|---|---|
| Employer's Contribution to Provident Fund | 117.20 | 94.85 |
| Employer's Contribution to Employees State Insurance | 22.81 | 31.18 |
| Employer's Contribution to Linked Insurance Scheme | 14.29 | 15.24 |
| | **154.30** | **141.27** |

**Defined Benefit Plan and other long term benefits**

Gratuity funds

The Employees gratuity fund scheme is managed by Life Insurance Corporation of India. The present value of obligation is determined based on Actuarial valuation by certified actuary. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks which are as follows:

**Interest Rate risk:**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the benefit and will thus result in an increase in the value of the liability.

**Liquidity risk:**

This is the risk that the Company is not able to meet the short-term payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation risk:**

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

**Demographic risk:**

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

**Regulatory risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs.20,00,000).

| The principal assumptions used for the purpose of the actuarial valuations were as follows: | | (Amount in Lakhs) |
|---|---|---|
| | **2019-2020** | **2018-2019** |
| Discount Rate (per annum) | 6.60% | 7.30% |
| Salary growth rate (per annum) | Nil | 8.50% |
| Mortality Rate (% of IALM 06-08) | 100.00% | 100.00% |
| Withdrawal rate (per annum) | 10.00% | 13.15% |
| **Components of expenses recognized in the statement of profit or loss** | | |
| Current service Cost | 39.34 | 29.00 |
| Past Service Cost | - | - |
| Loss / (Gain) on settlement | - | - |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 2.74 | 2.63 |
| **Expenses recognized in the statement of profit or loss** | **42.07** | **31.63** |
| **Components of expenses recognized in the other comprehensive income** | | |
| Actuarial (gains) / losses | | |
| - change in demographic assumptions | 8.10 | - |
| - change in financial assumptions | (18.52) | 25.57 |
| - experience variance (i.e. Actual experience vs assumptions) | 95.95 | (0.08) |
| - others | - | - |
| Return on plan assets, excluding amount recognized in net interest expense | 1.64 | 2.22 |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | | |
| **Components of defined benefit costs recognized in other comprehensive income** | **87.17** | **27.72** |
| **The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows** | | |
| Present Value of Obligation | 502.53 | 396.00 |
| Fair Value of Plan Assets | 455.05 | 358.59 |
| **Surplus / (Deficit)** | **(47.48)** | **(37.42)** |
| Effects of Asset Ceiling, if any | | |
| **Net Asset / (Liability)** | **(47.48)** | **(37.42)** |
| **Movement in the present value of the defined benefit obligation are as follows:** | | |
| Present Value of Obligation as at the beginning | 396.00 | 334.13 |
| Current Service Cost | 39.34 | 29.00 |
| Interest Expense or Cost | 28.97 | 25.38 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions | 8.10 | - |
| - change in financial assumptions | (18.52) | 25.57 |
| - experience variance (i.e. Actual experiences assumptions) | 95.95 | (0.08) |
| - others | | |
| Past Service Cost | - | |
| Effect of change in foreign exchange rates | | |
| Benefits Paid | (47.32) | (17.99) |
| Acquisition Adjustment | | |
| Effect of business combinations or disposals | | |
| **Present Value of Obligation as at the end** | **502.53** | **396.00** |

(Amount in Lakhs)

| | 2019-2020 | 2018-2019 |
|---|---|---|
| **Movement in the fair value of the plan assets are as follows:** | | |
| Fair Value of Plan Assets as at the beginning | 358.59 | 299.55 |
| Investment Income | 26.23 | 22.75 |
| Employer's Contribution | 119.18 | 56.50 |
| Employee's Contribution | - | |
| Benefits Paid | (47.32) | (17.99) |
| Return on plan assets , excluding amount recognized in net interest expense | (1.64) | (2.22) |
| Acquisition Adjustment | | |
| **Fair Value of Plan Assets as at the end** | **455.05** | **358.59** |
| **Maturity Profile of Defined Benefit Obligation** | | |
| Weighted average duration (based on discounted cash flows) | 7 Years | 5 Years |
| Expected cash flows over the next (valued on undiscounted basis): | | |
| 1 Year | 80.28 | 71.31 |
| 2 to 5 years | 234.38 | 197.70 |
| 6 to 10 years | 212.84 | 193.16 |
| More than 10 years | 321.17 | 177.36 |
| **Major categories of plan assets (as percentage of total plan assets)** | | |
| Funds managed by Insurer | 100% | 100% |
| **Total** | **100%** | **100%** |

The fair value of the above investments is taken as per the account statements of the insurance companies.

The Company expects to make a contribution of Rs.87.24 lakhs (as at 31.03.19: Rs.68.95 lakhs) to the defined benefit plans during the next financial year.

**Sensitivity analysis**

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

| | 2019-2020 | | 2018-2019 | |
|---|---|---|---|---|
| Defined Benefit Obligation (Base) | | 502.53 | | 396.00 |
| | **Decrease** | **Increase** | **Decrease** | **Increase** |
| Discount Rate (- / + 1%) | 348.870 | 471.588 | 22.67 | (20.48) |
| (% change compared to base due to sensitivity) | 6.90% | -6.20% | 5.70% | -5.20% |
| Salary Growth Rate (- / + 1%) | (29.26) | 534.797 | (19.72) | 21.02 |
| (% change compared to base due to sensitivity) | -5.80% | 6.40% | -5.00% | 5.30% |
| Attrition Rate (- / + 50% of attrition rates) | 19.690 | 11.830 | 9.82 | (6.19) |
| (% change compared to base due to sensitivity) | 3.90% | -2.40% | 2.50% | -1.60% |
| Mortality Rate (- / + 10% of mortality rates) | 0.090 | (0.090) | 0.03 | (0.03) |
| (% change compared to base due to sensitivity) | - | - | 0.00% | 0.00% |

**34** The Company has adopted Ind AS 116 using the 'Modified Retrospective Approach'. On the lease contracts existing as on the date of initial application i.e. 1st April,2019. The adoption of the standard did not have any material impact on these financial statements.

**35 Disclosure under Ind AS 115 " Revenue from Contracts with Customers"**

**a. Disaggregated revenue information** **(Amount in Lakhs)**

| Type of Services or goods | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Revenue from sale of goods | 30,299.39 | 32,610.49 |
| Revenue from services and others | 116.16 | 106.09 |
| | **30,415.55** | **32,716.58** |
| **Total Revenue from Contracts with Customers** | | |
| Revenue from Customers based in India | 30,415.55 | 32,716.58 |
| Revenue from Customers based outside India | - | - |
| **Total Revenue from Contracts with Customers** | **30,415.55** | **32,716.58** |
| **Timing of Revenue Recognition** | | |
| Goods and Services transferred over time | - | - |
| Goods and Services transferred at a point in time | 30,415.55 | 32,716.58 |
| | **30,415.55** | **32,716.58** |

**b. Trade receivables and Contract Customers**

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Trade Receivables | 4,734.17 | 5,913.49 |
| Unbilled revenue | - | - |

Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days. Rs. 21.42 lakhs (previous year Rs. 17.57 lakhs)was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

**c. Performance obligation and remaining performance obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on 31st March, 2020, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

**36** In case of Inventories that are slow moving, damaged, unsalable or obsolete, the net realizable value is considered on estimated basis and as at the year end value of such Inventory has been written down to the extent of Rs.158.41 lakhs.( PY Rs.139.69 lakhs)

**37** Earning Per Share : Earning per share has been computed as under :

Basic 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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations: **(Amount in Lakhs)**

| **Particulars** | **2019-2020** | **2018-2019** |
|---|---|---|
| Profit attributable to Ordinary Share Holders | | |
| Continuing Operations | 1,270.38 | 1,344.06 |
| Dis-continuing Operations | - | - |
| Profit attributable to Ordinary Share Holders for basic earnings | 1,270.38 | 1,344.06 |
| Weighted average number of Ordinary Shares Outstanding during the year (Nos.) | 29,818,050 | 29,818,050 |
| Face value per share | 2 | 2 |
| Basic Earning Per Share (BEPS) | 4.26 | 4.51 |
| Profit attributable to Ordinary Share Holders for basic earnings after adjusting effect of Potential Ordinary Shares | 1,270.38 | 1,344.06 |
| Weighted average number of Ordinary Shares adjusted for the effect of dilution (Nos.) | 29,818,050 | 29,818,050 |
| Diluted Earning Per Share (DEPS) | 4.26 | 4.51 |

**Reconciliation of Basic and Diluted shares used in Computing Earnings Per Share**

| **Particulars** | **2019-2020** | **2018-2019** |
|---|---|---|
| Basic Earnings per ordinary share - weighted average number of Ordinary shares (Nos.) | 4.26 | 4.51 |
| Effect of dilutive common equivalent shares | - | - |
| Diluted Earnings per ordinary share - weighted average number of Ordinary shares and potential ordinary shares outstanding (Nos.) | 4.26 | 4.51 |

**38** The Company has decided to exercise the option of lower tax rate provided under section 115BAA of the Income tax Act, 1961. Accordingly provision for tax for the year ended 31st March, 2020 has been recognised on the said basis. Deferred tax asset has also been remeasured as on 31st March, 2019 on the basis of the tax rate provided in the said section, the impact of which reversal of Rs 3.14 lakhs has been recognised in the results for the year ended 31st March, 2020.

**39** The Company has considered the possible effect that may result from the pandemic Covid-19. In view of the pandemic, the company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivable , inventories and other current / non current assets (net of provision) for any possible impact on the standalone financial results. The company has also assessed the impact of this whole situation on its capital and financial resources, profitability , liquidity position , internal financial controls etc., and is of the view that based on its present assessment, this situation does not materially impact these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

**40** Previous year's figures have been regrouped and recast wherever necessary to make them comparable with current year figures.

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

# Consolidated Financial Statements

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF**

**JULLUNDUR MOTOR AGENCY (DELHI) LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Jullundur Motor Agency (Delhi) Limited (hereinafter referred to as "the Parent Company") along with its subsidiaries i.e. (i) JMA Marketing Limited (Formerly known as JMA Rane Marketing Ltd.), (ii) ACL Components Limited and (iii) Jullundur Auto Sales Corporation Limited (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 of such subsidiaries as were audited by the other auditors, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended ('Ind As') and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31st, 2020 and Consolidated statement of Profit and loss, Consolidated Statement of change in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition – Accruals for turnover discounts**<br>Generally in the markets, products are often sold with sales related turnover discounts etc. Sales are recorded based on the price specified in the sales contract/arrangement with the customers net of discounts, returns and GST. However simultaneously estimated amount of turnover discounts would need to be incurred are also estimated and netted off from sales. Judgment is required to be exercised in determining the level of provisions that would need to be accrued | We have performed the test controls as per the following procedures to the accuracy of revenue recognized and accrual for turnover discounts to the customers:<br>(a) Obtaining an understanding of the Management processes and control with regard to contractual arrangements for turnover discount to the customers.<br>(b) Obtained an understanding of key contractual arrangements with customer and Management's process for collecting the relevant information to be able to reasonably estimate the Company's obligation in this regard. |

| | | |
|---|---|---|
| | | (c) Conducted review of contracts/arrangement, where such turnover discount existed and tested Management's basis for estimating the invoices to which such turnover discount will apply.<br>(d) Tested the application of the appropriate rates of discount and re-performed the test of arithmetic accuracy of the spreadsheet & credit notes issued.<br>(e) Performed insight analysis over changes to prior period turnover discount & assessing the estimates considering the evidence in this regards. |
| 2 | **Net Realizable Value of Finished Goods**<br>Finished goods inventory are valued at lower of cost and estimated net realizable value (estimated selling price less estimated cost necessary to make the sale). Considering that there is always a volatility in the selling price of the Finished goods inventory i.e. automobile parts & accessories, specially slow moving, damaged, unsalable inventories items, which is dependent upon various market conditions/ demand of the such items, determination of the net realizable value for these items involves significant management judgment and therefore has been considered as a key audit matter. | We have performed the following procedure on test check basis to verify the accuracy of the inventory held and valuation of stock- in-trade involving slow moving , damaged ,unsalable or obsolete inventory:<br>(a) Obtaining an understanding of the Management processes and control with regard to inventory held at close of the year and valuation of stock- in -trade including slow moving, damaged, unsalable or obsolete inventory.<br>(b) Obtained an understanding of the determination of the cost or net realizable values of the stock-in- trade items i.e. automobile parts & accessories including slow moving, damaged, unsalable or obsolete items assessed and tested the reasonableness of the significant judgments applied by the management.<br>(c) Evaluated the design of internal controls relating to the stock- in-trade held and valuation of inventories including slow moving, damaged, unsalable or obsolete items and also tested the operating effectiveness of the aforesaid controls.<br>(d) Compared the cost of the stock-in-trade items with the estimated net realisable value and checked if such items were recorded at net realisable value where the cost was higher than the net realisable value.<br>(e) Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework. |
| 3 | **Statutory Liability**<br>Compliance of various laws applicable to the company | The other Auditor has reported that they have performed the following procedures:<br>Obtained understanding & assurance from the management with regard to compliance of all applicable laws. We have reviewed & test checked the same. |
| 4 | **Modified Audit Procedures carried out in light of COVID-19 outbreak:**<br>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments / local administration during the period of our audit, we and other auditors could not travel to the branches/offices of the respective | Our ability to perform regular audit procedures has been impacted due to travel restrictions on account of nationwide lockdown which has required us in certain cases to perform alternative audit procedures as under:<br>Wherever physical access was not possible, necessary records/ reports/ documents were made available to us by |

| | | |
|---|---|---|
| | companies to carry out the audit processes physically at the respective branches/offices.<br>As we and other auditors could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the respective branches/offices, therefore we have identified such modified audit procedures as a Key Audit Matter. | the management through digital medium, emails and remote access to ERP. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to the auditors, which were relied upon as audit evidence for conducting the audit and reporting for the current period, further making enquiries and gathering necessary audit evidence through discussions over phone calls, emails etc. with the concerned officials of the company. |

**Emphasis of Matter**

We draw attention to Note 41 to the consolidated financial statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and management's evaluation of the impact on the consolidated financial statements of the Group as at the balance sheet date. As mentioned therein, the assessment of the Group Companies does not indicate any material effect on the carrying value of its assets and liabilities of the Group as on the reporting date. The Group will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Parent Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the 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 done/ audit report of the other auditors, we conclude that there is a material misstatement of this other information, the other auditors are required to report that fact. They have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013, with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 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 financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 financial controls 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 and its subsidiary companies, has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the consolidated 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 to express an opinion on the consolidated 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. For the business activities included in the consolidated financial statements, which have been audited by the 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. Our responsibilities in this regard are further described in titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 consolidated financial statements of the current period 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 out weight the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of the three subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of Rs. 3,705.45 Lakhs as at March 31, 2020, total revenue (before consolidation adjustments)

of Rs. 5,777.32 Lakhs and total net profit after tax (before consolidation adjustments) of Rs. 219.96 Lakhs and net cash inflows of Rs 239.94 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, is so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind As financial statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to in the Other Matters section above, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015, as amended;
   e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies 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 of the operating effectiveness of the internal financial controls over financial reporting of the Parent Company and its subsidiary companies, refer to our separate Report in "Annexure A" to this report.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company and its subsidiary companies, wherever applicable, is in accordance with the provisions of section 197 of 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:
      i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group (Refer Note 25 to the consolidated Ind As financial statements);
      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for 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 parent company and its subsidiary companies during the year ended 31st March, 2020.

**For Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 001174N

Sd/-
**Charanjit Chuttani**
(Partner)
Membership No 090723
ICAI UDIN: 20090723AAAAAK5285

Place: Gurugram
Date: 13 July, 2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jullundur Motor Agency (Delhi) Limited of even date)

**Report on the Internal Financial Controls Over Financial Report 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 the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Jullundur Motor Agency (Delhi) Limited (hereinafter referred to as "The Parent Company") with its subsidiary companies as of that date.

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

The Board of Directors of the Parent Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (" the ICAI"). 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and its subsidiary companies, 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 the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control with reference to 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Parent Company along with its subsidiary companies, have in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company, in so far as it relates to these three subsidiary companies, is based on the corresponding reports of the auditors of such subsidiary companies.

**For Aiyar & Co.**
Chartered Accountants
Firm's Registration No.: 001174N

Sd/-
**Charanjit Chuttani**
(Partner)
Membership No 090723
ICAI UDIN: 20090723AAAAAK5285

Place: Gurugram
Date: 13 July, 2020

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

**(Amount in Lakhs)**

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,164.88 | 1,130.90 |
| Investment Property | 4 | 353.42 | 137.96 |
| Goodwill | 3 | 0.86 | 1.19 |
| Intangible assets | 3 | 17.31 | 59.32 |
| Financial Assets | | | |
| (i) Investments | 5 | 268.89 | 339.11 |
| (ii) Other financial assets | 6 | 3,249.62 | 3,811.17 |
| Other non-current assets | 7 | 24.70 | 244.91 |
| **Total Non-current assets** | | **5,079.68** | **5,724.56** |
| **Current assets** | | | |
| Inventories | 8 | 6,693.46 | 6,773.84 |
| Financial assets | | | |
| (i) Investments | 5 | - | 974.59 |
| (ii) Trade receivables | 9 | 5,850.35 | 7,157.19 |
| (iii) Cash and cash equivalents | 10 | 1,973.27 | 1,266.36 |
| (iv) Bank balance other than (iii) above | 10 | 302.66 | 214.00 |
| (v) Other financial assets | 6 | 4,243.68 | 2,539.44 |
| Current Tax Assets (Net) | 11 | 195.19 | - |
| Other current assets | 7 | 305.25 | 57.35 |
| **Total current assets** | | **19,563.86** | **18,982.77** |
| **TOTAL ASSETS** | | **24,643.54** | **24,707.33** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 12 | 596.36 | 592.24 |
| **Other equity** | 13 | 16,727.22 | 15,410.51 |
| **Equity attributable to owners of the Company** | | **17,323.58** | **16,002.75** |
| Non-Controlling Interests | | 145.50 | 147.46 |
| **TOTAL EQUITY** | | **17,469.08** | **16,150.21** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Provisions | 14 | 61.31 | 77.77 |
| Deferred tax liabilities (Net) | 15 | 38.55 | 50.48 |
| **Total non-current liabilities** | | **99.86** | **128.25** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 16 | 80.31 | 119.79 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 6,120.24 | 7,274.42 |
| (ii) Other financial liabilities | 17 | 647.88 | 639.48 |
| Other current liabilities | 18 | 97.28 | 252.39 |
| Provisions | 14 | 128.89 | 100.19 |
| Current Tax Liabilities (Net) | 11 | - | 42.60 |
| **Total current liabilities** | | **7,074.60** | **8,428.87** |
| **TOTAL LIABILITIES** | | **7,174.46** | **8,557.12** |
| **TOTAL EQUITY AND LIABILITIES** | | **24,643.54** | **24,707.33** |
| Notes forming part of financial statement | 1to 42 | | |

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

**(Amount in Lakhs)**

| Particulars | | Note | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|---|
| **INCOME** | | | | |
| I | Revenue from operations | 19 | 36,192.87 | 35,576.44 |
| II | Other Income | 20 | 557.84 | 601.50 |
| III | Total Income (I+II) | | **36,750.71** | **36,177.94** |
| IV | **EXPENSES** | | | |
| | Purchase of Stock in Trade | | 31,877.14 | 30,769.11 |
| | Changes in inventories of Stock in Trade | 21 | (642.00) | (184.82) |
| | Employee benefit expense | 22 | 2,291.97 | 1,975.89 |
| | Finance Costs | 23 | - | 2.97 |
| | Depreciation and amortization expense | 5 & 6 | 118.71 | 108.84 |
| | Other expense | 24 | 1,164.41 | 1,158.10 |
| | Total expenses (IV) | | **34,810.23** | **33,830.09** |
| V | **Profit from continuing operations before share of profit of Joint Venture and Tax (III - IV)** | | **1,940.48** | **2,347.85** |
| VI | Share of Profit of joint venture accounted for using the equity method | | - | 46.65 |
| VII | **Profit before tax (V+VI)** | | **1,940.48** | **2,394.50** |
| VIII | Tax expense | | | |
| | (1) Current tax | | 507.52 | 763.59 |
| | (2) Deferred tax | | 11.44 | 14.03 |
| | (3) Tax paid for earlier years | | (0.85) | (2.49) |
| | Total tax expense (VIII) | | 518.11 | 775.13 |
| IX | **Profit for the year (VII - VIII)** | | **1,422.37** | **1,619.37** |
| X | **Other comprehensive income** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | Remeasurement of post employment benefit obligations | | (92.83) | (29.78) |
| | Income tax relating to these items | | 23.37 | 10.09 |
| | Change in fair value of FVOCI equity instruments | | (67.83) | (35.78) |
| | Income tax relating to these items | | - | (0.99) |
| | Gain on sale of equity shares | | 42.14 | |
| | Share of other comprehensive income of joint venture accounted for using the equity method | | - | (1.69) |
| | Income tax relating to these items | | - | 0.44 |
| | **B. Items that will be reclassified to profit or loss** | | - | - |
| | Income tax relating to these items | | - | - |
| | **Other comprehensive income for the period, net of tax (X)** | | **(95.15)** | **(57.71)** |
| XI | **Total comprehensive income for the period (IX+X)** | | **1,327.22** | **1,561.66** |
| | Profit attributable to: | | | |
| | Owners | | 1,401.42 | 1,595.69 |
| | Non-Controlling Interest | | 20.95 | 23.68 |
| | | | **1,422.37** | **1,619.37** |
| | Other comprehensive income attributable to: | | | |
| | Owners | | (84.72) | (57.98) |
| | Non-Controlling Interest | | (10.43) | 0.27 |
| | | | **(95.15)** | **(57.71)** |
| | Total comprehensive income attributable to: | | | |
| | Owners | | 1,316.70 | 1,537.71 |
| | Non-Controlling Interest | | 10.52 | 23.95 |
| | | | **1,327.22** | **1,561.66** |
| XII | Earnings per equity share | 38 | | |
| | Basic | | 4.70 | 5.39 |
| | Diluted | | 4.70 | 5.39 |
| Notes forming part of financial statements | | 1 to 42 | | |

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

**(Amount in Lakhs)**

| | | 2019-2020 | 2018-2019 |
|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Net Profit before tax** | 1,940.48 | 2,347.85 |
| | Adjustment for: | - | - |
| | Depreciation and amortization expenses | 118.71 | 108.84 |
| | Interest Income | (518.53) | (448.15) |
| | Dividend Income | (36.20) | (46.84) |
| | Loss/ (Profit) on sale of investment | 2.32 | (2.69) |
| | Gain on previously held interest in JMA Rane | - | (86.20) |
| | Rent Received | (0.44) | (0.43) |
| | Provision no longer required | - | (12.54) |
| | Fair value change of investment in mutual funds | - | (0.22) |
| | (Profit)/Loss on sale of property, plant and equipment | (2.65) | (1.05) |
| | **Operating profit before working capital changes** | **1,503.69** | **1,858.57** |
| | Adjustment for: | | |
| | Decrease/ (increase) in trade receivables | 1,306.84 | (541.26) |
| | Decrease/ (increase) in stock in trade | 80.38 | (457.51) |
| | Decrease/ (increase) in other non current assets | 220.21 | 1.01 |
| | Decrease/ (increase) in other current assets | (247.90) | 32.77 |
| | Decrease/ (increase) in other non current financial assets | (6.92) | (133.42) |
| | Decrease/ (increase) in other current financial assets | 52.76 | 67.61 |
| | (Decrease)/increase in trade payables | (1,193.64) | 346.92 |
| | (Decrease)/increase in other current financial liabilities | 20.29 | 340.85 |
| | (Decrease)/increase in other current liabilities | (155.10) | 118.53 |
| | (Decrease)/increase in provisions | (80.59) | (12.00) |
| | **Cash generated from operations** | **1,500.02** | **1,622.07** |
| | Direct taxes/ advance tax paid (net) | (733.16) | (720.49) |
| | **Net cash from operating activities** | **766.86** | **901.58** |
| **B** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment, including intangible assets and CWIP | (328.94) | (40.70) |
| | Proceeds from sale of property, plant and equipment | 5.78 | 5.34 |
| | Payment towards acquisition of business, net of cash acquired | - | (986.38) |
| | Proceeds of investments (net) | 1,020.92 | 669.85 |
| | Bank and other deposits placed (net) | (1,079.93) | (354.79) |
| | Interest received | 309.36 | 422.45 |
| | Dividend received | 36.20 | 68.88 |
| | Rent received | 0.44 | 0.43 |
| | Net cash flow from investing activities | **(36.17)** | **(214.92)** |
| **C** | **CASH FLOW FORM FINANCING ACTIVITIES** | | |
| | Dividend paid (including dividend distribution tax) | (23.78) | (583.41) |
| | **Net cash flow from financing activities** | **(23.78)** | **(583.41)** |
| | **Net increase/ decrease in cash and cash equivalents** | **706.91** | **103.25** |
| | **Opening cash and cash equivalents** | 1,266.36 | 1,163.11 |
| | **Closing cash and cash equivalents** | **1,973.27** | **1,266.36** |
| | **Cash and cash equivalent comprises :** | | |
| | Balance with banks | 1,417.03 | 933.53 |
| | Cheques in hand | 57.56 | 304.98 |
| | Bank deposits with original maturity of less than 3 months | 480.00 | - |
| | Cash in hand | 18.68 | 27.85 |
| | **Total** | **1,973.27** | **1,266.36** |

Note:- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7, 'Statement of Cash Flows'.

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

Place : Gurugram
Date : 13 July, 2020

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

### I) Equity Share Capital

(Amount in Lakhs)

| | Notes | Nos. | Amounts |
|---|---|---|---|
| Equity share of Rs.2/-(Previous year Rs.10/-) each issued, subscribed and fully paid | | | |
| **At April 1, 2018** | | 5,922,368 | 592.24 |
| Changes in equity share capital during the year | 12 | - | - |
| **At March 31, 2019** | | **5,922,368** | **592.24** |
| Less : Due to subdivision of equity shares | | 5,922,368 | |
| | | - | |
| Add :Sub division of equity shares during the year * | 12 | 29,611,840 | - |
| Shares held by subsidary ** | | 206,210 | 4.12 |
| **At 31st March 2020** | | **29,818,050** | **596.36** |

* The shareholders of the company in its EGM held on 25th April 2019 have considered and approved sub division of one equity share of the company of Rs.10/- each into five equity shares of Rs.2/- each , due to which number of issued , subscribed and paid up shares of the company has changed to 2,98,18,050 equity shares of Rs.2/- each fully paid up.

** In previous year Issued ,subscribed and paid capital excludes 206210 equity shares direcly held by subsidary, before their becoming subsidiary to the parent company. As of 31st March 2020 there is no inter company holding.

### II) Other equity

| | Notes | Reserves and surplus | | | Items of other comprehensive income | Equity attributable to owners of the Company | Non-Controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | | General reserve | Capital reserve | Retained earnings | FVOCI-Equity instruments | | | |
| **As at April 1, 2018** | | **13,718.49** | **0.82** | **660.01** | **55.47** | **14,434.79** | 104.71 | **14,539.50** |
| Profit for the year | 13 | - | - | 1,595.70 | - | **1,595.70** | 23.68 | **1,619.38** |
| Other comprehensive income | 13 | - | - | (20.91) | (37.04) | **(57.95)** | 0.24 | **(57.71)** |
| Interim/Final equity dividend including tax thereon | | - | - | (575.16) | - | **(575.16)** | (7.10) | **(582.26)** |
| Acquisition of subsidiary | | | **13.13** | - | | **13.13** | 25.93 | **39.06** |
| Transfer from retained earnings to general reserve | | **1,110.00** | - | (1,110.00) | - | - | - | - |
| **As at March 31, 2019** | | **14,828.49** | **13.95** | **549.64** | **18.43** | **15,410.51** | **147.46** | **15,557.97** |
| Profit for the year | 13 | - | - | 1,401.42 | | **1,401.42** | 20.95 | **1,422.37** |
| Other comprehensive income | 13 | - | - | **(59.02)** | (25.69) | **(84.71)** | (10.43) | **(95.14)** |
| Equity dividend including tax thereon | | - | - | - | - | - | (12.48) | **(12.48)** |
| Transfer from retained earnings to general reserve | | - | - | - | - | - | - | - |
| **At 31st March 2020** | | **14,828.49** | **13.95** | **1,892.04** | **(7.26)** | **16,727.22** | **145.50** | **16,872.72** |

The Notes referred to above form an integral part of the Statement of Profit & Loss

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

## Significant accounting policies and notes on accounts

### 1 General Information

The consolidated financial statements comprise financial statements of "Jullundur Motor Agency (Delhi) Limited" ("parent company") and its subsidiaries ( collectively referred to as the Group) for the year ended 31st March 2020

The principal activities of the Group is predominantly in trading and distribution of automobile parts, accessories and petroleum products primarily in India.

### 2 Significant accounting policies

#### A Basis of Preparation of financial statements

The consolidated financial statements have been prepared to comply in all material respects with the notified accounting standard under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting year as explained in the accounting policies below.

The accounting policies have been consistently applied by the group except where a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### B Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group has power over the investee, it 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.

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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control 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 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 31 March 20

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Inter-company transactions and balances including unrealized profits are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the no controlling interests' share of subsequent changes in equity. 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.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the parent Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Following subsidiaries have been considered in the preparation of these consolidated financial statements:

| | Equity shares held | | % of voting power held | |
|---|---|---|---|---|
| **Companies** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| **Subsidiaries** | | | | |
| Jullundur Auto Sales Corporation Limited | 204762 | 204762 | 49.72% | 49.72% |
| ACL Components Limited | 46810 | 46810 | 46.55% | 46.55% |
| JMA Marketing Limited formally known as JMA Rane Marketing Limited | 720006 | 720006 | 97.94% | 97.94% |

**Investment in joint ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

**C Business Combinations and goodwill**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

**D Use of Estimates:**

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Difference between the actual results and estimates are recognized in the year in which the results materialize.

**E Property Plant and Equipment (PPE):**

(i) **Tangible Assets**

Property plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which takes substantial year of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Improvement to PPE which has the effect of increasing the future benefits from the existing assets beyond their previously assessed standard of performance is included in the gross block.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as " capital work in progress".

**Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(ii) **Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

(iii) **Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the group and the cost of the assets can be measured reliably.

Intangible assets are stated at original cost less accumulated amortization and impairment losses, if any

**F Depreciation and amortization**

Depreciation on PPE except buildings and plant and equipment is provided on the written down value basis at the rates as derived, based on the useful life of the assets as specified in Schedule II to the Companies Act, 2013.

Depreciation on buildings and plant and equipment is provided on straight line basis at the rates as derived, based the useful life of the assets as specified in Schedule II to the Companies Act, 2013.

Goodwill is amortized on straight line method over a period of five years.

Intangible assets being software licenses are amortized on straight line method over their estimated useful life.

**G Financial Instruments**

(i) **Initial recognition**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognized at fair value plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

(ii) **Subsequent Measurement**

**a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets carried at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is

held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. Further, in cases where the group has made an irrevocable "election based, on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**c) Financial assets carried at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**d) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

**e) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognized at the proceeds received, net of direct issue costs.

(iii) **Derecognition of financial instruments**

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) **Fair value of financial instruments**

In determining the fair value of its financial instruments, the group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine fair value include available quoted market prices and discounted cash flow analysis. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of these instruments.

**H Inventories**

Finished goods and Goods in transit are valued at cost or estimated realizable value whichever is lower. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Slow moving, damaged, unsalable or obsolete inventories are identified at the each reporting date on the basis of technical evaluation and valued at estimated realizable value.

**I Revenue Recognition**

(i) **Revenue from contract with customers**

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligation is satisfied at a point of time. Performance obligations are said to be satisfied at of point of time when the customer obtains controls of interest.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and taxes. Transaction price is recognized based on the price specified in the contract, net of estimated sales incentives/discounts/ right to return, using the expected value method.

(ii) **Other operating revenue**

Other operational revenue represents income earned from activities incidental to the business and is recognized when right to receive the income is established.

(iii) **Other Income**

Interest income from a financial asset is recognized using the effective interest rate.

Dividend income is recognized in the year in which the right to receive the same is established.

**J Purchases**

Purchases are net of incentive and commission received from suppliers and adjusted for claims rejected and goods short received. Incentive and commission from suppliers are recognized when no significant uncertainty exists regarding their collectability.

**K 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 unsecured and are usually paid in accordance with the terms with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**L Foreign Exchange Transactions**

**Functional currency**

The functional currency of the group is the Indian Rupee. These financial statements are presented in Indian rupees (rounded off to rupee) which is the group's functional and presentation currency.

**M Employee benefits**

(i) **Short term employee benefits :**

All employee benefits due wholly within twelve months of rendering of services are classified as short term employee benefits. Benefits like salaries, wages, leave salary, contribution to Provident Fund/ Employee State Insurance contributions etc. paid or payable during the reporting year and the expected bonus expense are recognized as an expense on an undiscounted basis in the year in which the employee renders the related service.

(ii) **Post -employment benefits**

**a) Defined Contribution Plan**

The State governed Provident Fund Scheme, Employees' State Insurance Scheme and Employees Pension Scheme are defined contribution plans. The group has no obligation, other than the contribution payable to the Provident Fund Scheme, Employees' State Insurance Scheme and Employees Pension Scheme. The contribution paid /payable under the schemes is recognized during the year in which employee renders the related service.

**b) Defined Benefit Plan**

The liability is provided based on actuarial valuation certified by consulting actuary. The group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) relating to retirement benefit plans are recognized in Other Comprehensive Income which are not reclassified to profit or loss in subsequent years.

The group's Gratuity is Defined Benefit Retirement Plan. The group 's liability towards Gratuity is determined using the Projected Unit Credit Method which recognizes each year of service as giving rise to additional unit of employee benefit entitlement.

In respect of Directors, the liability for gratuity is unfunded and in respect of other eligible employees, the Gratuity scheme is operated through Group Gratuity Scheme of Life Insurance Corporation of India.

**N Income taxes**

The accounting treatment followed for taxes on income is to provide for Current Income Tax and Deferred Income Tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior year is the aggregate amount of income tax determined as payable in respect of taxable income for the year, using the tax rates and tax laws that have been enacted or substantially

enacted by the Balance Sheet date. Deferred Income Tax asset and liability are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred Income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax is not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The group offsets current tax asset and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**O Provision and Contingencies**

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
   a) the group has a present obligation as a result of a past events.
   b) a probable outflow of resources embodying economic benefits is expected to settle the obligation ; and
   c) the amount of the obligation can be reliably estimated.

ii) Contingent liability is disclosed in case there is ;
   a) possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group : or
   b) a present obligation arising from past events but is not recognized because :
      (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation : or
      (ii) a reliable estimate of the amount of the obligation cannot be made.

**P Impairment**

(i) **Financial assets**

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing components is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust loss allowance at the reporting date to the amount that is required to be recognized, is recognized as an impairment gain or loss in profit or loss.

(ii) **Non-financial assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the

carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**Q Earning per share (EPS)**

Basic EPS are computed by dividing the net profit or loss for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding the during the year. Diluted earning per equity share are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. Items of "Other Comprehensive Income" are not considered for calculation of EPS (Basic or Diluted).

**R Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**S Leases**

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group uses significant judgment in assessing the lease, lease term and the applicable discount rate.The Group assesses whether a contract is or 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.The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

**T Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits 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 know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2020

**Note No. 3**

**PROPERTY, PLANT AND EQUIPMENT** (Amount in Lakhs)

| | Land (Freehold) | Buildings | Plant & Machinery | Computers | Furniture & Fixtures | Office Equipment | Vehicles | Total Tangible Assets | Software Licenses | Goodwill | Total Intangible Assets | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | | | | |
| **As at 1st April, 2019** | 227.62 | 816.65 | 9.08 | 56.75 | 70.60 | 27.90 | 92.09 | 1,300.69 | 155.24 | 1.19 | 156.43 | 1,457.12 |
| Additions | - | 42.41 | - | 7.14 | 11.51 | 7.41 | 41.68 | 110.15 | - | - | - | 110.15 |
| Disposals / Discarded during the year | - | - | 0.02 | 0.01 | 0.16 | 0.18 | 14.40 | 14.77 | - | - | - | 14.77 |
| **At 31st March, 2020** | **227.62** | **859.06** | **9.06** | **63.88** | **81.95** | **35.13** | **119.37** | **1,396.07** | **155.24** | **1.19** | **156.43** | **1,552.50** |
| **Accumulated Depreciation** | | | | | | | | | | | | |
| **Upto 1st April, 2019** | - | 33.13 | 5.10 | 37.60 | 32.01 | 16.56 | 45.39 | 169.79 | 95.92 | - | 95.92 | 265.71 |
| For the year | - | 25.80 | 1.62 | 10.23 | 11.11 | 5.56 | 18.72 | 73.04 | 42.01 | 0.33 | 42.34 | 115.38 |
| Disposals / Discarded during the year | - | - | - | - | 0.08 | 0.03 | 11.53 | 11.64 | - | - | - | 11.64 |
| **At 31st March, 2020** | - | 58.93 | 6.72 | 47.83 | 43.04 | 22.09 | 52.58 | 231.19 | 137.93 | 0.33 | 138.26 | 369.45 |
| **Net Carrying Amount** | | | | | | | | | | | | |
| **At 31st March, 2020** | **227.62** | **800.13** | **2.34** | **16.05** | **38.91** | **13.04** | **66.79** | **1,164.88** | **17.31** | **0.86** | **18.17** | **1,183.05** |
| **At 31st March, 2019** | **227.62** | **783.52** | **3.98** | **19.14** | **38.59** | **11.34** | **46.70** | **1,130.90** | **59.32** | **1.19** | **60.51** | **1,191.41** |

## Notes to Consolidated Financial Statements for the year ended 31st March 2020

**Note No. 4** **(Amount in Lakhs)**

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| **Cost** | | |
| **Cost as at 1st April, 2019** | | |
| Opening gross block | 144.94 | 144.94 |
| Addition | 218.78 | - |
| Deletion | - | - |
| **Closing gross block** | **363.72** | **144.94** |
| **Depreciation, amortization & Impairment** | | |
| Opening Balance | 6.98 | 4.65 |
| Addition | 3.32 | 2.33 |
| **Closing Balance** | **10.30** | **6.98** |
| **Net Block** | **353.42** | **137.96** |

For investment property existing as on 1st April 2016 i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

**Information regarding income and expenditure of Investment property**

| | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Rental income derived from investment properties | 1.04 | 1.03 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 3.03 | 1.88 |
| Profit arising from investment properties before depreciation and indirect expenses | (1.99) | (0.85) |
| Less: Depreciation | 3.32 | 2.33 |
| **Profit/(loss) arising from investment properties before indirect expenses** | (5.31) | (3.18) |

As at 31 March 2020 and 31 March 2019 the fair values of the investment property are Rs.8.66 crores and Rs 7.23 crores respectively.These values are based on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

| 5 | Investments | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **Non-Current investments** | | |
| | Investments in Bonds | 186.34 | 186.34 |
| | Investments in Equity Instruments | 82.55 | 152.77 |
| | Others | - | - |
| | **Total Non-current investment** | **268.89** | **339.11** |
| | **Current investments** | | |
| | Investment in mutual funds | - | 974.59 |
| | **Total current investment** | **-** | **974.59** |
| | **Total carrying value** | **268.89** | **1,313.70** |

| Investments carried at amortized cost | No. of bonds | | (Amount in Lakhs) | |
|---|---|---|---|---|
| **Investments in Bonds (Tax-free)** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| National Highways Authority of India of Rs.1000/- each | 6,679 | 6,679 | 66.79 | 66.79 |
| Power Finance Corporation Ltd of Rs.1,00,000/- each | 50 | 50 | 50.00 | 50.00 |
| Power Finance Corporation Ltd of Rs.1000/- each | 2,848 | 2,848 | 28.48 | 28.48 |
| Housing Urban Development Corporation of Rs. 1000/- each | 701 | 701 | 7.01 | 7.01 |
| India Renewable Energy Development Ltd of Rs.1000/-each | 3,406 | 3,406 | 34.06 | 34.06 |
| | | | **186.34** | **186.34** |

**Investment carried at fair value through other comprehensive income**

| | No. of shares | | | |
|---|---|---|---|---|
| **Others** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| Jonas Woodhead & Sons(India) Ltd. of Rs.10/- each | 604 | 604 | 0.06 | 0.06 |
| Lahore Sialkot and Kashmir | | | - | - |
| | | | 0.06 | 0.06 |
| Less: Provision for diminution in value of investment | | | (0.06) | (0.06) |
| | | | **-** | **-** |

**Quoted, fully paid-up**

**Investment carried at fair value through other comprehensive income**

| Investment in equity Instruments | No. of shares | | | |
|---|---|---|---|---|
| **Trade** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| Banco Products Ltd. Rs.2/- each | 1,000 | 1,000 | 0.65 | 1.54 |
| Bharat Forge Ltd Rs. 2/- each | 1,000 | 1,000 | 2.35 | 5.12 |
| Exide Industries Ltd Rs.1/- each | 3,000 | 3,000 | 3.95 | 6.56 |
| Gabriel India Ltd Rs.1/- each | 2,000 | 2,000 | 1.07 | 2.89 |
| IP Rings Ltd Rs.10/- each | 1,000 | 1,000 | 0.39 | 1.04 |
| ITC Limited Rs.1/- each | 2,000 | 2,000 | 3.43 | 5.95 |
| Jai Prakash Power Ventures Ltd. of Rs.10/- each | 5,000 | 5,000 | 0.03 | 0.09 |
| JK Tyres and industries Ltd Rs.2/- each | 7,500 | 7,500 | 3.05 | 6.89 |
| Larsen & Turbo Ltd Rs.2/- each | 500 | 500 | 4.04 | 6.93 |
| LIC Housing Finance Ltd Rs.2/- each | 1,000 | 1,000 | 2.35 | 5.32 |
| Mahindra and Mahindra Ltd Rs.5/- each | 2,000 | 2,000 | 5.70 | 13.48 |
| Maruti Suzuki Ltd Rs.5/- each | 500 | 500 | 21.44 | 33.36 |
| PAE Ltd Rs.10/- each | 500 | 500 | 0.01 | 0.01 |
| Power Finance Corporation Ltd Rs.10/- each | 5,000 | 5,000 | 4.60 | 6.16 |
| Rane Engine Valve Ltd Rs.10/- each | 243 | 243 | 0.32 | 1.13 |
| Rane Holdings Ltd Rs.10/- each | 915 | 915 | 2.95 | 10.90 |
| Rane (Madras) Ltd Rs.10/- each | 200 | 200 | 0.28 | 0.72 |
| Rural Electrification Ltd. Rs.10/- each | 2,500 | 2,500 | 2.22 | 3.82 |

| Investment in equity Instruments *(Contd.)* | No. of shares | | (Amount in Lakhs) | |
|---|---|---|---|---|
| **Trade** | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| State Bank of India Rs.1/-each | 2,000 | 2,000 | 3.94 | 6.42 |
| Sterling Tools Ltd Rs.10/- each | 1,000 | 1,000 | 1.32 | 3.25 |
| Sundaram Brake Lining Ltd Rs.10/- each | 225 | 225 | 0.36 | 0.72 |
| Sundram Clayton Ltd Rs.5/- each | 250 | 250 | 3.73 | 7.23 |
| Sundram Fastners Ltd Rs.1/- each | 500 | 500 | 1.44 | 2.83 |
| Tata Motor Ltd. Rs.2/- each | 1,000 | 1,000 | 0.71 | 1.74 |
| Tata Steel Ltd.Rs.10/- each | 1,000 | 1,000 | 2.70 | 5.21 |
| Tech Mahindra Ltd. Rs.5/- each | 500 | 500 | 2.83 | 3.88 |
| TVS Motor Company Ltd Rs.1/- each | 1,000 | 1,000 | 2.98 | 4.71 |
| GMR Infrastructure Ltd Rs. 10/- each | 7,500 | 7,500 | 1.23 | 1.48 |
| United Bank of India Rs. 10/- each | 2,500 | 2,500 | 0.11 | 0.28 |
| Mannapuram Finance Limited Rs. 10/- each | 2,500 | 2,500 | 2.37 | 3.12 |
| | | | **82.55** | **152.77** |
| **Total Non-current investments** | | | **268.89** | **339.11** |

**Current investments**

**Unquoted fully paid-up**

**Investment carried at fair value through profit and loss**

| Investment in mutual funds | No. of units | | | |
|---|---|---|---|---|
| | **As at 31 March 2020** | **As at 31 March 2019** | **As at 31st March 2020** | **As at 31st March 2019** |
| ICICI Prudential Liquid Fund | - | 558,628.382 | - | 559.67 |
| ICICI Prudential Liquid Fund | - | 360,425.689 | - | 361.11 |
| ICICI Prudential Saving Fund | - | 50,872.153 | - | 53.81 |
| **Total Current investments** | | | **-** | **974.59** |
| Aggregate amount of quoted investments and market value thereof | | | 82.55 | 152.77 |
| Aggregate value of unquoted investment | | | 186.40 | 1,160.99 |
| Aggregate amount of impairment in value of investments | | | (0.06) | (0.06) |
| Investments carried at amortized cost | | | 186.34 | 186.34 |
| Investment carried at fair value through other comprehensive income | | | 82.55 | 152.77 |
| Investment carried at fair value through profit and loss | | | - | 974.59 |

| 6 | **Other financial assets** | **As at 31st March 2020** | **As at 31st March 2019** |
|---|---|---|---|
| | **Non-current** | | |
| | **Financial assets carried at amortized cost** | | |
| | **Unsecured, considered good** | | |
| | Security Deposits | 32.75 | 25.83 |
| | Other deposits more than one year | 2,634.19 | 3,248.09 |
| | Bank deposits with maturity more than 12 months including Bank Deposit under lien ( refer note no.10) | 325.26 | 310.89 |
| | Interest accrued but not due on Fixed deposits | 257.42 | 226.36 |
| | **Total other non-current financial assets** | **3,249.62** | **3,811.17** |

(Amount in Lakhs)

| 6 | Other financial assets *(Contd.)* | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **Current** | | |
| | **Financial assets carried at amortized cost** | | |
| | **Unsecured, considered good** | | |
| | Advances recoverable | 36.94 | 86.39 |
| | Other deposit less than 12 months | 3,756.03 | 2,177.13 |
| | Security deposits | 62.54 | 65.85 |
| | Interest accrued but not due on Fixed deposits | 388.17 | 210.07 |
| | **Total other current financial assets** | **4,243.68** | **2,539.44** |

| 7 | Other assets | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | **Non-current** | | |
| | **Unsecured considered good** | | |
| | Capital Advances * | - | 219.20 |
| | Leasehold land | 16.08 | 16.66 |
| | Other advances | 8.62 | 9.05 |
| | **Total other non-current assets** | **24.70** | **244.91** |
| | * Capital advances capitalized to Investment property /Property Plant and Equipment | | |
| | **Current** | | |
| | **Unsecured considered good** | | |
| | Prepaid expenses | 21.38 | 19.87 |
| | Claims Recoverable | 20.59 | 34.59 |
| | Leasehold land | 0.58 | 0.58 |
| | Other Recoverable * | 262.70 | 2.31 |
| | *Includes GST recoverable | | |
| | **Total other current assets** | **305.25** | **57.35** |

| 8 | Inventories (at lower of cost and net realizable value) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | Stock in trade | 6,061.40 | 5,419.40 |
| | Goods in transit | 632.06 | 1,354.44 |
| | **Total** | **6,693.46** | **6,773.84** |

| 9 | Trade Receivables | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | Unsecured, considered good | 5,850.35 | 7,157.19 |
| | Unsecured, considered doubtful | 21.42 | 17.58 |
| | Less: Allowances for credit losses | (21.42) | (17.58) |
| | **Total** | **5,850.35** | **7,157.19** |

(Amount in Lakhs)

| 10 Cash and Bank balances | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Cash and cash equivalents** | | |
| **Bank balances** | | |
| Balance with banks | 1,417.03 | 933.53 |
| Bank deposits with original maturity of less than 3 months | 480.00 | - |
| Cheques in hand | 57.56 | 304.98 |
| Cash in hand | 18.68 | 27.85 |
| **Total Cash and Cash equivalents** | **1,973.27** | **1,266.36** |
| **Other bank balances** | | |
| Bank deposits with original maturity of more than 3 months but less than 12 month | - | 7.18 |
| Bank deposits with original maturity of more than 12 month | 236.53 | 218.54 |
| Bank Deposit under lien | 299.72 | 195.59 |
| Unclaimed dividend account | 91.67 | 103.58 |
| | **627.92** | **524.89** |
| Less:- Reported under Other financial assets (refer note 6) | (325.26) | (310.89) |
| **Total other bank balances** | **302.66** | **214.00** |
| **Total Cash and Bank Balances** | **2,275.93** | **1,480.36** |

| 11 Current Tax Assets/(liabilities) (Net) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Provision for income tax (net of payment) | - | 42.60 |
| Advance income tax (net) | 195.19 | - |
| | **(195.19)** | **42.60** |

| 12 Share Capital | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Authorised Share Capital** | | |
| 50000000(previous year 10000000) equity shares of Rs.2/-( previous year Rs.10/-)each (par value) | 1,000.00 | 1,000.00 |
| **Issued, subscribed and paid-up *** | | |
| 29818050(Previous year 5922368) Equity Shares Rs.2/- each (Previous year Rs.10/- each) fully paid-up (par value) | 596.36 | 592.24 |
| **Total** | **596.36** | **592.24** |

* In previous year Issued ,subscribed and paid capital excludes 206210 equity shares directly held by the subsidiary, before their becoming subsidiary to the company.

**a) Reconciliation of number of shares outstanding and amount of share capital**

| Equity Shares | As at 31st March 2020 | | As at 31st March 2019 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity shares outstanding at the beginning of the year | 5,922,368 | 592.24 | 5,922,368 | 592.24 |
| Less : Due to subdivision of equity shares | 5,922,368 | - | - | - |
| | - | 592.24 | 5,922,368 | 592.24 |
| Add : Sub division of equity shares issued during the year * | 29,611,840 | - | - | - |
| Shares held by subsidiary ** | 206,210 | 4.12 | | |
| Equity shares outstanding at the end of the year* | 29,818,050 | 596.36 | 5,922,368 | 592.24 |

* The shareholders of the company in its EGM held on 25th April 2019 have considered and approved sub division

of one equity share of the company of Rs.10/- each into five equity shares of Rs.2/- each , due to which number of issued , subscribed and paid up shares of the company has changed to 2,98,18,050 equity shares of Rs.2/- each fully paid up.

** In previous year Issued ,subscribed and paid capital excludes 206210 equity shares directly held by the subsidiary, before their becoming subsidiary to the parent company. As on 31st March 2020 there is no Inter company holding.

**b) Terms/rights attached to equity shares**

The company has one class of shares referred to Equity Shares having par value of Rs.2/- each. Each holder of equity share is entitled to one vote per share.

During the year March 31,2020 the amount of dividend of Rs. Nil per share recognized as distribution to equity shareholders (Pervious year Rs. 4/- per equity share.)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any part of the remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by holding company or ultimate holding company or subsidiaries or associates of the holding company or the holding company**

There is no holding or ultimate holding company of the company.

**d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Equity Shares allotted as fully paid up by way of bonus shares 2981805 equity shares of Rs. 10/- each allotted by way of bonus shares as on 2nd May,2013.

**e) The details of Shareholders holding more than 5% of shares**

| Equity Shares | As at 31st March 2020 | | As at 31st March 2019 | |
|---|---|---|---|---|
| | No. of shares held* | % of shares | No. of shares held* | % of shares |
| Mr.Virat Sondhi | 5,742,520 | 19.26% | 1,141,504 | 19.14% |
| Mr.Ranjit Puri | 2,043,760 | 6.85% | 408,752 | 6.85% |
| Mrs Shuchi Arora | 1,842,570 | 6.18% | 368,514 | 6.18% |
| Mrs Santosh Sondhi | 1,511,380 | 5.07% | 302,276 | 5.07% |

**f) Terms of securities convertible into equity /preference shares**

There are no securities convertible into equity /preference shares.

**(Amount in Lakhs)**

| 13 Other Equity | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **a) Capital Reserves** | | |
| Opening Balance | 13.95 | 0.82 |
| Additions on business combination (Refer Note-31) | - | 13.13 |
| Balance at the end of the year | 13.95 | 13.95 |
| **b) Other Reserves** | | |
| **General Reserve** | | |
| Opening Balance | 14,828.49 | 14,718.15 |
| Add : Transfer from Profit and Loss Account | - | 1,110.00 |
| Add:- Acquisition of Subsidiary | - | (999.66) |
| Balance at the end of the year | 14,828.49 | 14,828.49 |

(Amount in Lakhs)

| 13 Other Equity *(Contd.)* | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **c) Surplus in Profit and Loss Account** | | |
| Opening Balance | 549.64 | 660.01 |
| Add:- Acquisition of Subsidiary | - | - |
| Add : Profit for the year | 1,401.42 | 1,595.70 |
| Add : Other comprehensive Income | (59.02) | (20.91) |
| | 1,892.04 | 2,234.80 |
| Less: Transfer to General Reserve | - | 1,110.00 |
| Interim Dividend including tax thereon | - | 575.16 |
| Final Dividend | - | - |
| Dividend distribution tax paid | - | - |
| | - | 1,685.16 |
| Balance at the end of the year | 1,892.04 | 549.64 |
| **Equity Instruments through Other Comprehensive Income** | | |
| Opening Balance | 18.43 | 55.47 |
| Change in fair value of FVOCI equity instruments | (67.83) | (36.02) |
| Deferred tax | - | (1.02) |
| Transfer of gain on FVOCI equity investment | 42.14 | - |
| Deferred tax | | - |
| Balance at the end of the year | **(7.26)** | **18.43** |
| **Total** | **16,727.22** | **15,410.51** |

| 14 Provisions | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Non-current** | | |
| **Provision for employee benefits** | | |
| Provision for Gratuity (Net) | 61.31 | 77.77 |
| **Total non-current provisions** | **61.31** | **77.77** |
| **Current** | | |
| **Provision for employee benefits** | | |
| Provision for Gratuity | 128.89 | 100.19 |
| **Total current provisions** | **128.89** | **100.19** |

| 15 Deferred Tax liability/assets (Net) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Deferred Tax Liability** | | |
| Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortization for financial reporting | 105.85 | 130.55 |
| **Total deferred tax liability** | **105.85** | **130.55** |

(Amount in Lakhs)

| 15 Deferred Tax liability/assets (Net) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Deferred Tax Assets** | | |
| Allowance for doubtful debts and advances | 5.39 | 6.14 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 61.80 | 73.82 |
| FVOCI - equity instruments | 0.11 | 0.11 |
| **Total deferred tax assets** | **67.30** | **80.07** |
| **Total** | **38.55** | **50.48** |
| Deferred Tax Asset | 12.30 | 13.00 |
| Deferred Tax Liability | 50.85 | 63.48 |
| **Deferred Tax liability/assets (Net)** | **38.55** | **50.48** |

| 16 Trade Payables | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises * | 80.31 | 119.79 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,120.24 | 7,274.42 |
| **Total** | **6,200.55** | **7,394.21** |

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises.

| 17 Other financial liabilities | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Current** | | |
| Employee benefits payable | 206.38 | 191.23 |
| Trade receivables having credit balance | 56.74 | 72.02 |
| Unclaimed dividend * | 91.09 | 102.98 |
| Other Expenses payable | 243.25 | 205.85 |
| Other payables | 50.42 | 67.40 |
| **Total other current financial liabilities** | **647.88** | **639.48** |

* Unclaimed dividend does not include any amount due for credited to Investor Education and Protection Fund.

| 18 Other liabilities | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Current** | | |
| Statutory liabilities | 46.59 | 169.73 |
| Income received in Advance | 35.47 | 63.59 |
| Other liabilities# | 15.22 | 19.07 |
| **Total other current liabilities** | **97.28** | **252.39** |

# This includes claims payable.

(Amount in Lakhs)

| 19 | Revenue from operations | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|
| | Sales of auto spare parts and accessories | 36,059.41 | 35,461.97 |
| | Other operating income | 133.46 | 114.47 |
| | **Total** | **36,192.87** | **35,576.44** |

| 20 | Other Income | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|
| | Interest income | 518.53 | 448.15 |
| | Dividend income | 36.20 | 46.84 |
| | Net gain on sale/redemption of investments in debt mutual funds and bonds/ fair valuation gain / loss on investment in debt mutual funds | - | 6.30 |
| | Gain on previously held interest in JMA Rane | - | 86.19 |
| | Other non operating incomes | - | - |
| | Provision no longer required | - | 12.54 |
| | Profit on sale of PPE (Net) | 2.66 | 1.05 |
| | Rent | 0.44 | 0.43 |
| | Others | 0.01 | - |
| | **Total** | **557.84** | **601.50** |

| 21 | (Increase) / decrease in stock in value | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|
| | Opening Stock in trade | 5,419.40 | 4,306.66 |
| | Additions - Business Combinations (Refer Note-31) | - | 927.92 |
| | Closing Stock in trade | 6,061.40 | 5,419.40 |
| | **Total** | **(642.00)** | **(184.82)** |

| 22 | Employee benefits expense | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|
| | Salary and Bonus | 1,915.09 | 1,614.79 |
| | Contribution to PF ,ESI, gratuity etc. | 247.44 | 193.00 |
| | Staff Welfare expenses | 82.81 | 76.98 |
| | Commission paid | - | - |
| | Managing and Joint Managing Directors | 25.24 | 64.53 |
| | Staff members | 21.39 | 14.41 |
| | Gratuity provision for Managing and Joint Managing Director | - | 12.18 |
| | **Total** | **2,291.97** | **1,975.89** |

| 23 | Finance charges | 2019-2020 Year | 2018-2019 Year |
|---|---|---|---|
| | Interest to others | - | 2.97 |
| | **Total** | **-** | **2.97** |

(Amount in Lakhs)

| 24 Other expenses | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Rent | 199.08 | 157.30 |
| Electricity & Water Charges | 37.96 | 39.58 |
| Travelling & Conveyance | 234.58 | 212.97 |
| Insurance | 10.28 | 4.45 |
| Repairs & Renewals | - | - |
| Buildings | 4.90 | 19.95 |
| Others | 48.54 | 42.93 |
| Directors' Sitting Fees | 15.06 | 10.38 |
| Rate and Taxes | 13.91 | 8.74 |
| Miscellaneous Expenditure | 514.13 | 554.22 |
| Rebates & Write off | 34.14 | 56.55 |
| Auditors Remuneration | 10.15 | 9.33 |
| Corporate Social Responsibility expenditure | 39.35 | 38.30 |
| Net gain on sale/redemption of investments in debt mutual funds/ fair valuation gain / loss on investment in debt mutual funds * | 2.32 | 3.40 |
| Loss in sale of assets | 0.01 | - |
| **Total** | **1,164.41** | **1,158.10** |

* Includes net loss on sales / redemption of investment in debt mutual funds of Rs. 2.32 lakhs (Previous year Rs.3.40 lakhs)

| Auditor's Remuneration | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Audit Fees | 8.61 | 7.98 |
| Certification & other services | 0.18 | - |
| Reimbursement of expense | 1.36 | 1.35 |
| **Total** | **10.15** | **9.33** |

| 25 Contingent liabilities and commitments (To the extent not provided for) | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **(i) Contingent Liabilities** | | |
| (a) Claims against the company not acknowledged as debts | 2.14 | 2.14 |
| (b) Guarantees | 299.72 | 189.01 |
| (c) Other money for which the company is contingently liable (Sales tax Demand disputed by the company) | 22.91 | 28.52 |
| (d) Other money for which the company is contingently liable (Income tax Demand disputed by the company) (Rs. 115.01 lakhs paid by the parent company under protest against dispute demand of income tax.) | 650.23 | 89.24 |
| **(ii) Commitments** | - | - |
| (a) Estimated amount of contracts remaining to be executed on capital account | - | 19.63 |
| (b) Uncalled liability on shares and other investments partly paid | - | - |
| **Total Contingent liabilities and commitments** | 975.00 | 328.54 |

**26 Capital management**

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

**(Amount in Lakhs)**

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings.

Total equity of the company as on 31st March, 2020 Rs.17,469 lakhs (as on 31st March, 2019 Rs.16,150 lakhs )

**27 Disclosures on financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

**a) Financial assets and liabilities**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31st March, 2020

| Particulars | Amortized Cost | Financial assets / liabilities at fair value through profit or loss | | Financial assets / liabilities at fair value through OCI | | Total Carrying cost | Total Fair Value |
|---|---|---|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| **Financial Assets** | | | | | | | |
| Investment in bonds * | 186.34 | - | - | - | - | 186.34 | 186.34 |
| Investment in Equity instruments | - | - | - | 82.55 | - | 82.55 | 82.55 |
| Trade receivable | 5,850.35 | - | - | - | - | 5,850.35 | 5,850.35 |
| Cash and cash equivalents | 1,973.27 | - | - | - | - | 1,973.27 | 1,973.27 |
| Other bank balances | 302.66 | - | - | - | - | 302.66 | 302.66 |
| Other financial assets- Non- current | 3,249.62 | - | - | - | - | 3,249.62 | 3,249.62 |
| Other financial assets- Current | 4,243.68 | - | - | - | - | 4,243.68 | 4,243.68 |
| | **15,805.92** | **-** | **-** | **82.55** | **-** | **15,888.47** | **15,888.47** |
| **Financial liabilities** | | | | | | | |
| Trade payable | 6,200.55 | - | - | - | - | 6,200.55 | 6,200.55 |
| Other financial liabilities -Current | 647.88 | - | - | - | - | 647.88 | 647.88 |
| | **6,848.43** | **-** | **-** | **-** | **-** | **6,848.43** | **6,848.43** |

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31st March, 2019

| Particulars | Amortized Cost | Financial assets / liabilities at fair value through profit or loss | | Financial assets / liabilities at fair value through OCI | | Total Carrying cost | Total Fair Value |
|---|---|---|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| **Financial Assets** | | | | | | | |
| Investment in bonds* | 186.34 | - | - | - | - | 186.34 | 186.34 |
| Investment in Equity instruments | - | - | - | 152.77 | - | 152.77 | 152.77 |
| Investment in mutual funds | - | - | 974.59 | - | - | 974.59 | 974.59 |
| Trade receivable | 7,157.19 | - | - | - | - | 7,157.19 | 7,157.19 |
| Cash and cash equivalents | 1,266.36 | - | - | - | - | 1,266.36 | 1,266.36 |
| Other bank balances | 214.00 | - | - | - | - | 214.00 | 214.00 |
| Other financial assets- Non- current | 3,811.17 | - | - | - | - | 3,811.17 | 3,811.17 |

**(Amounts in Lakhs)**

| Particulars | Amortized Cost | Financial assets / liabilities at fair value through profit or loss | | Financial assets / liabilities at fair value through OCI | | Total Carrying cost | Total Fair Value |
|---|---|---|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| Other financial assets- Current | 2,539.44 | - | - | - | - | 2,539.44 | 2,539.44 |
| | **15,174.50** | **-** | **974.59** | **152.77** | **-** | **16,301.86** | **16,301.86** |
| **Financial liabilities** | | | | | | | |
| Trade payable | 7,394.21 | - | - | - | - | 7,394.21 | 7,394.21 |
| Other financial liabilities -Current | 639.48 | - | - | - | - | 639.48 | 639.48 |
| | **8,033.69** | **-** | **-** | **-** | **-** | **8,033.69** | **8,033.69** |

*Note : Fair value is same as carrying value since interest upto close of the financial year has already been considered.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This level of hierarchy include Company's over-the counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the years ended 31st March, 2020 and 2019.

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2020 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in Equity Instruments | 82.55 | 82.55 | - | - |

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2019 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in Equity Instruments | 152.77 | 152.77 | - | - |
| Investment in mutual funds | 974.59 | 974.59 | - | - |

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2020 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in bonds | 186.34 | - | - | 186.34 |

| Assets Measured at Fair Value | Fair Value Measurement as at 31st March, 2019 Using | | | |
|---|---|---|---|---|
| | Total | (Level 1) | (Level 2) | (Level 3) |
| **Assets** | | | | |
| Investments in bonds | 186.34 | - | - | 186.34 |

**(Amount in Lakhs)**

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

**b) Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the board of directors.

**i) Market risk**

**Equity Price risk**

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income expenses the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as at March 31 and 2020 and 2019 was Rs.82.55 lakhs and Rs. 152.77 lakhs respectively. A 10% change in equity price as at March 31, 2020, and 31st March 2019 would result in an impact of Rs.8.26 lakhs and Rs. 15.28 lakhs respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

**ii) Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit or loss, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of exposure to credit risks.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs.15,787.24lakhs as at 31st March,2020 and Rs.16,121.23 lakhs as at 31st March, 2019, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at 31st March , 2020, that defaults in payment obligations will occur.

**iii) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at 31st March , 2020

| Financial liabilities | Due in 1st year | Due in 2nd year | Due in 3rd year | Due in 4th year | Due in 5th year | Total contractual cash flows |
|---|---|---|---|---|---|---|
| Trade payable | 6,200.55 | - | - | - | - | 6,200.55 |
| Other financial liabilities | 647.88 | - | - | - | - | 647.88 |
| **Total** | **6,848.43** | **-** | **-** | **-** | **-** | **6,848.43** |

**(Amount in Lakhs)**

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at 31st March, 2019

| Financial liabilities | Due in 1st year | Due in 2nd year | Due in 3rd year | Due in 4th year | Due in 5th year | Total contractual cash flows |
|---|---|---|---|---|---|---|
| Trade payable | 7,394.21 | - | - | - | - | 7,394.21 |
| Other financial liabilities | 639.48 | - | - | - | - | 639.48 |
| **Total** | **8,033.69** | **-** | **-** | **-** | **-** | **8,033.69** |

**28 Related Party Disclosure**

**Key Management Personnel & Relatives**

1. Mr.Virat Sondhi, Managing Director
2. Mr.Deepak Arora, Jt.Managing Director
3. Mr.Narinder Pal Singh, CFO
4. Mr.Sachin Saluja, Company Secretary upto 14th November, 2019
5. Mr. Ramkesh Pal, Company Secretary w.e.f. 14th November, 2019

**Relatives**

Mrs. Santosh Sondhi (Wife of Mr.Virat Sondhi)
Mrs.Shuchi Arora (Wife of Mr.Deepak Arora and daughter of Mr.Virat Sondhi)
Mrs.Aditi Arora Malik ( Daughter of Mr.Deepak Arora)
Miss Ashana Arora(Daughter of Mr.Deepak Arora)
Mr.Varoon Malilk (Son in law of Mr.Deepak Arora)

**Others**

SCV & Co, LLP, in which one of the director is interested
The Yamuna Syndicate Ltd in which one of the director is interested

**Transactions with Related Parties** **(Amount in Lakhs)**

| Nature of Transaction | Key Management Personnel | Relative of Key Management Personnel | Others | Total |
|---|---|---|---|---|
| **Remuneration** | 232.12 | 122.50 | - | 354.62 |
| | (284.94) | (59.04) | - | (343.98) |
| **Professional charges** | - | - | 0.69 | 0.69 |
| | - | - | (4.50) | (4.50) |
| **Sitting Fees** | - | 0.80 | - | 0.80 |
| | - | (0.70) | - | (0.70) |
| **Sale of goods** | - | - | 0.53 | 0.53 |
| | - | - | - | - |

(Corresponding figures of previous year are given in brackets.)

**29 Material partly-owned subsidiaries**

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

| Name | Country of incorporation and operation | % direct holding | |
|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 |
| **Subsidiaries** | | | |
| Jullundur Auto Sales Corporation Limited | India | 50.28% | 50.28% |
| ACL Components Limited | India | 43.56% | 43.56% |
| JMA Marketing Limited | India | 1.05% | 1.05% |

(Amount in Lakhs)

| Information regarding non-controlling interest | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Accumulated balances of material non-controlling interest:** | | |
| Jullundur Auto Sales Corporation Limited | 88.90 | 90.84 |
| ACL Components Limited | 27.90 | 29.31 |
| JMA Marketing Limited | 28.71 | 27.31 |
| **Profit/(loss) allocated to material non-controlling interest:** | | |
| Jullundur Auto Sales Corporation Limited | 17.92 | 18.65 |
| ACL Components Limited | 1.13 | 3.63 |
| JMA Marketing Limited | 1.90 | 1.41 |

The summarised financial information of these subsidiaries are provided below. This information is based on amountsbefore inter-company eliminations and other adjustments

**Summarised statement of profit and loss for the year ended 31 March 2020**

| | JMA Marketing Limited | Jullundur Auto Sales Corporation Limited | ACL Components Limited |
|---|---|---|---|
| Revenue | 5,164.01 | 613.31 | - |
| Other income | 57.54 | 9.74 | 4.14 |
| Cost of goods sold | (4,425.27) | (541.84) | - |
| Other expenses | (556.16) | (33.97) | (0.69) |
| Finance costs | - | - | - |
| **Profit before tax** | **240.12** | **47.24** | **3.45** |
| Income tax | (58.40) | (11.59) | (0.87) |
| **Profit for the year** | **181.72** | **35.65** | **2.58** |
| Attributable to non-controlling interests | 1.90 | 17.92 | 1.12 |
| Dividends paid to non-controlling interests (including tax on dividend) | 0.56 | 9.98 | 2.11 |

**Summarised statement of profit and loss for the year ended 31 March 2019**

| | JMA Marketing Limited | Jullundur Auto Sales Corporation Limited | ACL Components Limited |
|---|---|---|---|
| Revenue | 2,276.58 | 583.27 | - |
| Other income | 18.38 | 9.85 | 9.95 |
| Cost of goods sold | (1,903.25) | (516.54) | - |
| Other expenses | (206.39) | (28.18) | (0.22) |
| Finance costs | (2.31) | - | - |
| **Profit before tax** | **183.01** | **48.40** | **9.73** |
| Income tax | (48.63) | (11.32) | (1.40) |
| **Profit for the year** | **134.38** | **37.08** | **8.33** |
| Attributable to non-controlling interests | 1.41 | 18.64 | 3.63 |
| Dividends paid to non-controlling interests (including tax on dividend) | - | 4.99 | 2.11 |

(Amount in Lakhs)

**Summarised balance sheet as at 31 March 2020**

| | JMA Marketing Limited | Jullundur Auto Sales Corporation Limited | ACL Components Limited |
|---|---|---|---|
| Inventories, trade receivables, cash and cash equivalents and other current assets (current) | 2,682.81 | 308.25 | 26.30 |
| Property, plant and equipment, Investment, other non-current financial assets and deferred tax assets (non-current) | 761.82 | 61.22 | 37.50 |
| Trade and other payable (current) | (698.94) | (194.83) | (0.06) |
| Provisions (non-current) | (10.76) | 2.19 | 0.11 |
| **Total equity** | 2,734.93 | 176.83 | 63.85 |
| **Attributable to:** | | | |
| Equity holders of parent | 2,706.22 | 87.93 | 35.95 |
| Non-controlling interest | 28.71 | 88.90 | 27.90 |

**Summarised balance sheet as at 31 March 2019**

| | JMA Marketing Limited | Jullundur Auto Sales Corporation Limited | ACL Components Limited |
|---|---|---|---|
| Inventories, trade receivables, cash and cash equivalents and other current assets (current) | 2,682.81 | 190.99 | 14.12 |
| Property, plant and equipment, Investment, other non-current financial assets and deferred tax assets (non-current) | 806.41 | 89.90 | 54.02 |
| Trade and other payable (current) | (949.34) | (95.83) | (0.85) |
| Provisions (non-current) | (12.59) | (4.37) | - |
| **Total equity** | 2,527.28 | 180.69 | 67.28 |
| **Attributable to:** | - | - | - |
| Equity holders of parent | 2,583.30 | 89.85 | 37.97 |
| Non-controlling interest | 27.31 | 90.84 | 29.31 |

**Summarised cash flow information as at 31 March 2020**

| | JMA Marketing Limited | Jullundur Auto Sales Corporation Limited | ACL Components Limited |
|---|---|---|---|
| Operating | 75.73 | 28.75 | (2.04) |
| Investing | 226.23 | (6.35) | (4.50) |
| Financing | (53.18) | (19.86) | (4.85) |
| **Net increase/(decrease) in cash and cashequivalents** | **248.78** | **2.54** | **(11.39)** |

**Summarised cash flow information as at 31 March 2019**

| | JMA Marketing Limited | Jullundur Auto Sales Corporation Limited | ACL Components Limited |
|---|---|---|---|
| Operating | 145.63 | 26.55 | (1.01) |
| Investing | 16.80 | (22.03) | 15.63 |
| Financing | - | (9.77) | (4.85) |
| **Net increase/(decrease) in cash and cashequivalents** | **162.43** | **(5.25)** | **9.77** |

(Amounts in Lakhs)

**30 Interest in joint venture**

The parent company had a 49.98% interest in JMA Marketing Limited formaly known as JMA RANE Marketing Limited, a joint venture involved in the trading of some of the Group's main product lines in trading and distribution of automobile parts and accessories primarily in India. The parent company interest in JMA Marketing Limited was accounted for using the equity method in the consolidated financial statements. During the previous year, the parent company had purchased 3,60,003 equity shares of Rs.10/- each of JMA Marketing Limited on 14th November, 2018 and thereby increased its shareholding in JMA Marketing from 3,60,003 to 7,20,006 (from 49.98% to 98.95%) thereby the Group has achieved control over JMA Marketing and accounted the same as subsidiary from date of acquisition. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**Summarised statement of profit and loss of the JMA Marketing Limited:**

| | 2018-19 (From 1st April, 2018 to 14th November, 2018) Unaudited |
|---|---|
| Revenue | 3,339.68 |
| Other income | 26.17 |
| Purchase of Stock in Trade | (2,893.93) |
| Other expenses | (335.63) |
| Finance costs | (2.86) |
| **Profit before tax** | **133.43** |
| Income tax | (40.10) |
| **Profit for the year** | **93.33** |
| Group's share of profit for the year | **46.65** |

**31 Business Combinations (disclosure pursuant to Ind AS 103)**

Disclosures pursuant to Ind AS 103 "Business Combinations":

a. Acquisition of JMA Marketing Ltd

b. During the previous year on November 14, 2018, the Parent Company acquired the business of JMA Marketing Ltd. The effective closing was on November 14, 2018 for a purchase consideration of Rs 12,00,00,000/-. The Company accounted the acquisition by following the purchase method of accounting wherein the total purchase consideration was allocated to all acquired assets and assumed liabilities. The purchase price allocation ('PPA') was undertaken to assess the fair value of assets and liabilities acquired in the acquisition.

| | | 2018-19 |
|---|---|---|
| **a.** | **Purchase consideration** | **Amount** |
| | Cash and cash equivalents | 1,200.00 |
| | **Total** | **1,200.00** |
| (ii) | Assets acquired and liabilities recognized on the date of acquisition are as follows | |
| | **ASSETS** | |
| | Current assets: | |
| | Cash and cash equivalents | 213.62 |
| | Trade receivables | 1,051.13 |
| | Inventory | 928 |
| | Investments | 359.81 |
| | Other assets | 135.63 |
| | **Total** | **2,688.11** |
| | **Non-Current assets:** | |
| | Property, plant and equipment | 340.12 |
| | Other financial assets | 267.60 |
| | **Total** | **607.72** |

(Amounts in Lakhs)

| | 2018-19 |
|---|---|
| **Identifiable Intangible assets:** | |
| Software Licenses | 7.83 |
| **Total Assets** | **3,303.66** |
| **Liabilities** | |
| Trade payables | 628.60 |
| Other financial liabilities | 83.26 |
| Statutory liabilities and other liabilities | 44.19 |
| **Total** | **756.05** |
| Deferred Tax Liabilities | 68.75 |
| **Total Liabilities** | **824.80** |
| **Non-Controlling Interest** | **25.93** |
| **Total net identifiable assets acquired** | **2,452.93** |
| % of previously held interest in JMA Rane | 49.98% |
| % of interest acquired | 48.97% |
| **Capital Reserve** | |
| Capital Reserve arising from the acquisition has been determined as follows: | |
| Consideration transferred | 1,200.00 |
| Fair value of previously held interest in JMA Marketing | 1,239.79 |
| Fair value of net identifiable assets | (2,452.93) |
| **Capital Reserve** | **(13.14)** |

**32 Segment Reporting**

The Group is dealing in one class of goods i.e. automobile parts & accessories and located in one country i.e. India. Since the group operated in a single business/ geographical segment, information required by Ind AS 108 operating lease.

**33** In accordance with Ind AS 36 ' Impairment of Assets' , the group has assessed as on the Balance Sheet date, whether there are any indications with respect to impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of the recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

**34 Employee Benefits**

**Defined Contribution Plan**

During the year the group has recognized the following amounts in the statement of profit and loss:

| Plans | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| Employer's Contribution to Provident Fund | 141.76 | 104.05 |
| Employer's Contribution to Employees State Insurance | 30.08 | 34.26 |
| Employer's Contribution to Linked Insurance fund | 15.17 | 15.63 |
| | **187.01** | **153.94** |

**Defined Benefit Plan and other long term benefits**

**Gratuity funds**

The Employees gratuity fund scheme is managed by Life Insurance Corporation of India. The present value of obligation is determined based on Actuarial valuation by certified actuary. The Valuation has been carried out using the Project Unit Credit Method.as per Ind AS 19.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks which are as follows:

**Interest Rate risk:**

The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the benefit and will thus result in an increase in the value of the liability.

(Amounts in Lakhs)

**Liquidity risk:**

This is the risk that the group is not able to meet the short-term payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation risk:**

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

**Demographic risk:**

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

**Regulatory risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs.20,00,000).

**The principal assumptions used for the purpose of the actuarial valuations were as follows:**

| **Plans** | **2019-2020 Year** | **2018-2019 Year** |
|---|---|---|
| Discount Rate (per annum) | 6.60% | 7.30% |
| Salary growth rate (per annum) | Nil | 8.50% |
| Mortality Rate (% of IALM 06-08) | 100.00% | 100.00% |
| Withdrawal rate (per annum) | 10.00% | 13.15% |
| **Components of expenses recognized in the statement of profit or loss** | | |
| Current service Cost | 39.34 | 29.00 |
| Past Service Cost | - | - |
| Loss / (Gain) on settlement | - | - |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 2.74 | 2.63 |
| **Expenses recognized in the statement of profit or loss** | **42.08** | **31.63** |
| **Components of expenses recognized in the other comprehensive income** | | |
| Actuarial (gains) / losses | | |
| - change in demographic assumptions | 8.10 | - |
| - change in financial assumptions | (18.52) | 25.57 |
| - experience variance(i.e. Actual experience vs assumptions) | 95.95 | (0.08) |
| - others | - | - |
| Return on plan assets, excluding amount recognized in net interest expense | 1.64 | 2.22 |
| Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | - | - |
| **Components of defined benefit costs recognized in other comprehensive income** | **87.17** | **27.71** |
| **The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows** | | |
| Present Value of Obligation | 502.53 | 396.00 |
| Fair Value of Plan Assets | 455.05 | 358.59 |
| **Surplus / (Deficit)** | **(47.48)** | **(37.41)** |
| Effects of Asset Ceiling, if any | - | |
| **Net Asset / (Liability)** | **(47.48)** | **(37.41)** |

(Amounts in Lakhs)

| Plans | 2019-2020 Year | 2018-2019 Year |
|---|---|---|
| **Movement in the present value of the defined benefit obligation are as follows:** | | |
| Present Value of Obligation as at the beginning | 396.00 | 334.13 |
| Current Service Cost | 39.34 | 29.00 |
| Interest Expense or Cost | 28.97 | 25.38 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions | 8.10 | - |
| - change in financial assumptions | (18.52) | 25.57 |
| - experience variance (i.e. Actual experiences assumptions) | 95.95 | (0.08) |
| - others | - | - |
| Past Service Cost | - | - |
| Effect of change in foreign exchange rates | - | - |
| Benefits Paid | (47.32) | (17.99) |
| Acquisition Adjustment | - | - |
| Effect of business combinations or disposals | - | - |
| **Present Value of Obligation as at the end** | **502.52** | **396.01** |
| **Movement in the fair value of the plan assets are as follows:** | | |
| Fair Value of Plan Assets as at the beginning | 358.59 | 299.55 |
| Investment Income | 26.23 | 22.75 |
| Employer's Contribution | 119.18 | 56.50 |
| Employee's Contribution | - | - |
| Benefits Paid | (47.32) | (17.99) |
| Return on plan assets , excluding amount recognised in net interest expense | (1.64) | (2.22) |
| Acquisition Adjustment | - | - |
| **Fair Value of Plan Assets as at the end** | **455.04** | **358.59** |
| **Maturity Profile of Defined Benefit Obligation** | | |
| Weighted average duration (based on discounted cash flows) | 7 years | 5years |
| Expected cash flows over the next (valued on undiscounted basis): | | |
| 1 Year | 80.28 | 71.31 |
| 2 to 5 years | 234.38 | 197.70 |
| 6 to 10 years | 212.84 | 193.16 |
| More than 10 years | 321.17 | 177.36 |
| **Major categories of plan assets (as percentage of total plan assets)** | | |
| Funds managed by Insurer | 100% | 100% |
| **Total** | **100%** | **100%** |

The fair value of the above investments is taken as per the account statements of the insurance companies.

The Company expects to make a contribution of Rs. 87,23,540/- (as at 31.03.19: Rs.68,94,718/-) to the defined benefit plans during the next financial year.

**Sensitivity analysis**

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

**(Amounts in Lakhs)**

| | 2019-2020 Year | | 2018-2019 Year | |
|---|---|---|---|---|
| Defined Benefit Obligation (Base) | | 502.53 | | 396.00 |
| | **Decrease** | **Increase** | **Decrease** | **Increase** |
| Discount Rate (- / + 1%) | 34.87 | (30.94) | 22.67 | (20.48) |
| (% change compared to base due to sensitivity) | 6.90% | -6.20% | 5.70% | -5.20% |
| Salary Growth Rate (- / + 1%) | (29.26) | 32.27 | (19.72) | 21.02 |
| (% change compared to base due to sensitivity) | -5.80% | 6.40% | -5.00% | 5.30% |
| Attrition Rate (- / + 50% of attrition rates) | 19.69 | (11.83) | 9.82 | (6.19) |
| (% change compared to base due to sensitivity) | 3.90% | -2.40% | 2.50% | -1.60% |
| Mortality Rate (- / + 10% of mortality rates) | 0.09 | (0.09) | 0.03 | (0.03) |
| (% change compared to base due to sensitivity) | 0.00% | 0.00% | 0.00% | 0.00% |

**35** The Group have decided to use 'Modified Retrospective Approach' as permitted by Ind AS 116 'Leases' in respect of lease contracts existing as on the date of initial application i.e. 1st April, 2019 of the aforesaid Standard to the companies. The adoption of this approach did not have any material impact on the aforesaid financial statements.

**36** During the previous year, the parent company i.e. Jullundur Motor Agency (Delhi) Limited had purchased 3,60,003 equity shares of JMA Marketing Ltd. (formerly known as JMA Rane Marketing Limited (JMA Rane)), by virtue of which JMA Rane, Joint Venture has become subsidiary of the said company w..e.f. 14th November 2018, Thus the financial statement of the JMA Rane are included in the Consolidated Financial statements from that date. Therefore Consolidated Financial statement for the year ended 31st March 2020 are not comparable with previous year ended 31st March 2019.

**37** Additional information as required under Schedule III to the Companies Act 2013 of the enterprises consolidated

| Name of the Company | Net Assets i.e. Total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Rs. | As % of consolidated net assets | Rs. | As % of consolidated net assets | Rs. | As % of consolidated net assets | Rs. |
| **Parent** | | | | | | | | |
| Jullundur Motor Agency(Delhi) Limited | 90.71% | 15,713.41 | 90.65% | 1,270.39 | 158.50% | (134.28) | 86.28% | 1,136.11 |
| **Subsidiaries** | | | | | | | | |
| JMA Marketing Limited | 14.79% | 2,562.48 | 12.97% | 181.72 | 5.00% | (4.24) | 13.48% | 177.48 |
| Jullundur Auto Sales Corporation Limited | 1.38% | 238.61 | 2.54% | 35.65 | 23.18% | (19.64) | 1.22% | 16.01 |
| ACL Components Limited | 0.37% | 63.85 | 0.18% | 2.58 | 1.38% | (1.17) | 0.11% | 1.41 |
| **Non-controlling interest in all subsidiaries** | | | | | | | | |
| JMA Marketing Limited | -0.17% | (28.71) | -0.14% | (1.90) | -0.05% | 0.04 | -0.14% | (1.86) |
| Jullundur Auto Sales Corporation Limited | -0.51% | (88.90) | -1.28% | (17.92) | -11.65% | 9.87 | -0.61% | (8.05) |
| ACL Components Limited | -0.16% | (27.90) | -0.08% | (1.12) | -0.60% | 0.51 | -0.05% | (0.61) |
| **Adjustment arising out of consolidation** | -6.40% | (1,109.26) | -4.85% | (67.97) | -75.77% | 64.19 | -0.29% | (3.78) |
| **Total** | **100.00%** | **17,323.58** | **100.00%** | **1,401.42** | **100.00%** | **(84.72)** | **100.00%** | **1,316.70** |

**38** Earning Per Share : Earning per share has been computed as under :

Basic 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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(Amounts in Lakhs)

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

| Particulars | 2019-2020 | 2018-2019 |
|---|---|---|
| Profit attributable to Ordinary Share Holders | | |
| Continuing Operations | 1,401.42 | 1,595.69 |
| Dis-continuing Operations | | |
| Profit attributable to Ordinary Share Holders for basic earnings | 1,401.42 | 1,595.69 |
| Weighted average number of Ordinary Shares Outstanding during the year (Nos.)* | 29,818,050 | 29,611,840 |
| Face value per share | 2 | 2 |
| Basic Earning Per Share (BEPS) | 4.70 | 5.39 |
| Profit attributable to Ordinary Share Holders for basic earnings after adjusting effect of Potential Ordinary Shares | 1,401.42 | 1,595.69 |
| Weighted average number of Ordinary Shares adjusted for the effect of dilution (Nos.) * | 29,818,050 | 29,611,840 |
| Diluted Earning Per Share (DEPS) | 4.70 | 5.39 |

**Reconciliation of Basic and Diluted shares used in Computing Earnings Per Share**

| Particulars | 2019-2020 | 2018-2019 |
|---|---|---|
| Basic Earnings per ordinary share - weighted average number of Ordinary shares (Nos.) | 4.70 | 5.39 |
| Effect of dilutive common equivalent shares | - | - |
| Diluted Earnings per ordinary share - weighted average number of Ordinary shares and potential ordinary shares outstanding (Nos.) | 4.70 | 5.39 |

* Weighted Average number of shares are net off treasury shares. Please refer note No. 14 of notes to consolidated financial statements.

**39** In case of Inventories that are slow moving, damaged, unsalable or obsolete, the net realizable value is considered on estimated basis and as at the year end value of such Inventory has been written down to the extent of Rs 158.41 Lakhs. (PY Rs.139.69 lakhs)

**40 Disclosure under Ind AS 115 " Revenue from Contracts with Customers"**

a. Disaggregated revenue information

| Type of Services or goods | 31st March, 2020 |
|---|---|
| Revenue from sale of goods | 36,059.41 |
| Revenue from services and others | 133.46 |
| | **36,192.87** |
| Total Revenue from Contracts with Customers | |
| Revenue from Customers based in India | 36,192.87 |
| Revenue from Customers based outside India | - |
| Total Revenue from Contracts with Customers | **36,192.87** |
| **Timing of Revenue Recognition** | |
| Goods and Services transferred over time | - |
| Goods and Services transferred at a point in time | 36,192.87 |
| | **36,192.87** |

**b. Trade receivables and Contract Customers**

| | 31st March, 2020 |
|---|---|
| Trade Receivables | 5,850.35 |
| Unbilled revenue | - |

Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days. Rs.21.42 lakhs (previous year 17.58 lakhs) was recognized as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

**c. Performance obligation and remaining performance obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on 31st March, 2020, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

**41** The Group has considered the possible effect that may result from the pandemic Covid-19. In view of the pandemic, the Group has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivable , inventories and other current / non current assets (net of provision established) for any possible impact on the consolidated financial statements. The group has also assessed the impact of this whole situation on its capital and financial resources, profitability , liquidity position , internal financial controls etc., and of the view that based on its present assessment, this situation does not materially impact these financial statements. The group will continue to closely monitor any material changes to future economic conditions.

**42** Previous year's figures have been regrouped and recast wherever necessary to make them comparable with current year figures.

**As per our report attached**
**For Aiyar & Co.**
Chartered Accountants
(FRN No. 001174N)

Sd/-
**(Charanjit Chuttani)**
(M.No. 090723)
Partner

Place : Gurugram
Date : 13 July, 2020

Sd/-
**Deepak Arora**
Director
(DIN: 00093077)

Sd/-
**Virat Sondhi**
Director
(DIN: 00092902)

Sd/-
**Varoon Malik**
CEO
(DIN : 07004987)

Sd/-
**Narinder Pal Singh**
CFO
(M.No.093568)

Sd/-
**Ramkesh Pal**
Company Secretary
(M.No.A40120)

JULLUNDUR MOTOR AGENCY (DELHI) LTD.

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