

Mehra Goel & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of JBM Ogihara Automotive India Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of the JBM Ogihara Automotive India Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting principles generally accepted in India including Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing Specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by



Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

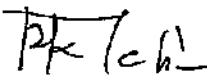
Report on Other Legal and Regulatory Matters

- (i) As required by the Companies (Auditors Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of the section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
- (ii) As required by Section 143 (3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report, are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial Statement comply with the Accounting standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representation received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company did not have any pending litigations as on 31st March, 2016.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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

For Mehra Goel & Co.
Chartered Accountants
F.R.N.: 000517N


R.K. Mehra
Partner
M. No.:006102



Place: New Delhi
Date: 07.05.2016

ANNEXURE A to Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

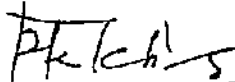
- I.
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanation given to us, the fixed assets covering significant value have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. On the basis of the information and explanations given by the management, no material discrepancies have been noticed on such verification.
 - c) The Company does not have any immovable property; hence this clause is not applicable.
- II.
 - a) According to the information and explanation given to us, the inventory of the company in its possession has been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties as on 31st March, 2016, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- III. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- IV. The Company has not granted any loans, made any investments, provided any guarantees and security under the provisions of section 185 and 186 of the Companies Act, 2013.
- V. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits as per the provision of the Act.
- VI. On the basis of records produced before us, we are of the opinion that prima facie, the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 have been maintained. However, we have not, nor we are required, made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- VII. To the best of our knowledge and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.



Further according to the information and explanations given by the management, there were no disputed dues in respect of income tax, sales tax, duty of customs, excise duty, value added tax as on the balance sheet date.

- VIII. In our opinion, the Company has not defaulted in repayment of loans & borrowings to Financial Institutions, banks, government, debentureholders.
- IX. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Term loans obtained during the year were applied for the purposes for which those are raised.
- X. Based upon the information and explanations given by the management, we report that there is no fraud by the Company or on the Company by its officers or employees during the year.
- XI. No managerial remuneration has been paid during the year. Accordingly, paragraph 3 (xi) is not applicable.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- XIII. According to the information and explanation given to us & based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. According to the information and explanation given to us & 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.
- XV. According to the information and explanation given to us & based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mehra Goel & Co.
Chartered Accountants
F.R.N.: 000517N


R.K. MEHRA
Partner
M. No.: 006102



Place: New Delhi
Dated: 07.05.2016

ANNEXURE-B

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JBM Ogihara Automative India Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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 Mehra Goel & Co.
Chartered Accountants
F.R.N.:000517N

R.K. Mehra
Partner
M. No.: 006102

Place: New Delhi
Date: 07.05.2016



JBM GOHARA AUTOMOTIVE INDIA LTD

CASH FLOW STATEMENT FOR THE YEAR 2015-16

	March, 2016		March, 2015	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax and extraordinary items		52,165,268		68,746,445
Adjustment for :				
Depreciation	36,350,978		41,029,684	
Finance Cost	23,157,448		30,111,801	
Unrealised Exchange loss/(Gain) (Net)	(2,187,465)		(255,484)	
		57,320,961		70,886,001
Operating Profit before Working Capital Changes		109,486,230		139,632,446
Adjustment for :				
Trade and other receivables	56,706,423		(91,208,099)	
Inventories	(241,249,501)		18,215,116	
Trade and other liabilities	178,220,306	(4,322,771)	13,554,350	(59,438,633)
Cash Generated From Operations		105,163,459		80,193,813
Direct taxes paid (Net)		(10,671,616)		(14,126,829)
Net Cash From Operating Activities		94,491,842		66,066,983
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets/CWIP	(25,510,505)		1,729,310	
Proceeds from sale of fixed assets	-		27,218	
Net Cash used in Investing Activities		(25,510,505)		1,756,528
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long term loans	(66,000,000)		(88,276,590)	
(Increase)/Decrease in Foreign Currency Monetary item translation difference a/c	2,187,465			
Proceeds from long term loans	50,000,000		252,116	
Dividend tax paid	(59,970)			
Increase in Short Term Loans	(28,820,143)		28,131,005	
Interest paid	(24,124,140)		(30,628,391)	
Net cash flow from financing activities		(66,816,788)		(69,521,861)
		164,549		(1,698,348)
Net Increase in Cash and Bank balance				
Cash and cash equivalents (Opening Balance)	101,368		1,799,717	
Cash and cash equivalents (Closing Balance)	295,918	164,549	101,368	(1,698,348)

Notes:

- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on "Cash Flow Statement".
- Trade and other receivables include Loans and Advances.
- The previous year figures have been regrouped/ rearranged wherever considered necessary.
- Cash and Cash equivalents consist of Cash in hand, Balance with banks.
- Figures in bracket represents Cash outflow.

Notes 1 to 26 form integral part of Financial Statements.

As per our report attached

For Mehra Goel & Co.
Chartered Accountants
FRN:000517N

R.K.Mehra
Partner
M.No.6102



[Signature]
Director

[Signature]
Director

Place:

Dated: 7th May 2016

[Signature]
CFD

Balance Sheet as at 31 March 2016

	Note	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (Rs.)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds	2		
(a) Share Capital		220,000,000	220,000,000
(b) Reserves and Surplus		85,713,194	51,035,433
		<u>305,713,194</u>	<u>271,035,433</u>
2. Non-current liabilities	3		
(a) Long-term borrowings		63,241,000	81,000,000
(b) Deferred Tax liabilities (Net)		52,658,468	35,230,930
(c) Long-term Provisions		2,161,581	1,811,517
		<u>118,061,049</u>	<u>118,042,447</u>
3. Current liabilities	4		
(a) Short term borrowings		84,008,367	112,828,510
(b) Trade payables		104,004,247	81,030,231
(c) Other current liabilities		276,152,467	101,059,708
(d) Short term provisions		1,152,917	22,557,141
		<u>465,317,999</u>	<u>317,475,590</u>
TOTAL LIABILITIES		<u>889,092,241</u>	<u>706,553,470</u>
II ASSETS			
1. Non-current assets			
(a) Fixed assets	5		
(i) Tangible assets		445,178,301	456,009,619
(ii) Intangible assets		36,267	190,056
(b) Long-term loans and advances	6	63,963,500	53,225,721
		<u>509,178,068</u>	<u>509,425,396</u>
2. Current Assets	7		
(a) Inventories		274,272,779	33,023,278
(b) Trade receivables		72,067,981	88,364,459
(c) Cash and Cash equivalents		265,918	101,369
(d) Other current assets		33,307,495	75,638,968
		<u>379,914,173</u>	<u>197,128,074</u>
TOTAL ASSETS		<u>889,092,241</u>	<u>706,553,470</u>

As per our report attached

For Mehra Goel & Co.
Chartered Accountants
FRN - 000517N

(R.K Mehra)
Partner
M.no 006102




Director


Director

Place : New Delhi

Date : 7th May 2016


CFO

Statement of Profit and Loss for the period ended as on 31st March 16

		Year Ended as on	Year Ended as on
	Note	31-Mar-16 (Rs.)	31-Mar-15 (Rs.)
I Revenue From Operations	8		
Sale of Goods		796,542,867	864,714,669
Sale of Services		27,432,972	23,751,654
Other Operating Revenues		69,213,705	74,789,581
		<u>893,189,544</u>	<u>963,255,904</u>
Less: Excise Duty		102,990,082	110,550,227
Net		<u>790,199,462</u>	<u>852,705,677</u>
II Other Income	9	2,187,552	307,754
III Total Revenue (I + II)		<u>792,387,014</u>	<u>853,013,431</u>
IV Expenses			
Cost of Material Consumed		493,245,751	531,856,860
Changes in inventories of finished goods, work in progress and Stock-in-trade	10	(1,508,617)	(1,167,428)
Employee benefits expense	11	97,673,655	87,628,858
Finance Costs	12	23,157,448	30,111,801
Depreciation and amortization expenses		36,350,978	41,029,684
Other expenses	13	91,302,530	94,807,211
Total Expense		<u>740,221,745</u>	<u>784,266,986</u>
V Profit Before Tax (PBT) (III -IV)		52,165,268	68,746,445
VI Tax expense:			
(1) Current tax		10,660,194	13,829,219
Less:- MAT Credit		10,660,194	13,829,219
		-	-
(2) Deferred tax		17,427,538	22,788,116
(3) Earlier Years			31,654
VII Profit for the period (V-VI)		<u>34,737,731</u>	<u>45,926,675</u>
VIII Earnings Per Equity Share:			
Weighted Average No. of Equity Shares(No.)		22,000,000	22,000,000
Profit After Tax		34,737,731	45,926,675
Basic and Diluted Earning Per Share (Rs)		1.58	2.09
Nominal Value of each equity share (Rs)		10	10

**SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS**

1
14-23

As per our report attached

For Mehra Goel & Co.
Chartered Accountants
FRN - 000517N

(R.K Mehra)
Partner
M.no 006102



[Signature]
Director

[Signature]
Director

[Signature]
CFO

Place : New Delhi

Date : 7th May 2016

JBM OGIHARA AUTOMOTIVE INDIA LTD

NOTES FORMING PART OF BALANCE SHEET:-

Note 2 : SHAREHOLDERS' FUND	As at	As at
	31-Mar-16 (Rs.)	31-Mar-15 (Rs.)
(a) SHARE CAPITAL		
(A) Authorised		
2,20,00,000 Equity Shares of Rs. 10/- each	220,000,000	220,000,000
	<u>220,000,000</u>	<u>220,000,000</u>
(B) Issued, Subscribed and Paid Up		
(220,00,000 Equity Shares of Rs.10/- each, fully paid up)	220,000,000	220,000,000
	<u>220,000,000</u>	<u>220,000,000</u>

(a) Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of Equity share will be entitled to receive the remaining assets of the Company in proportion to the number of Equity shares held by each Shareholder.

(b) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the Reporting Period

Particulars	As at 31st Mar , 2016		As at 31st Mar , 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Outstanding at the beginning of the year	22,000,000	220,000,000	22,000,000	220,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	22,000,000	220,000,000	22,000,000	220,000,000

(c) Detail of Shareholders holding more than 5% share capital as on the balance sheet date

Particulars	As at 31st Mar , 2016		As at 31st Mar , 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s JBM Auto Limited	11,220,000	51.00	11,220,000	51.00
M/s Ogihara (Thailand) Co. Limited	10,780,000	49.00	10,780,000	49.00

JBM Auto Limited holds beneficial interest in Six Equity Shares held in the name of six individuals.

(d) Shares in respect of each class held by its holding company:-

Out of equity shares issued by the company, shares held by its holding company are as below:

Name of Shareholders	As at 31st Mar , 2016	As at 31st Mar , 2015
	No. of Share	No. of Share
Holding Company	11,219,994	11,219,994

(b) RESERVES AND SURPLUS

	As at 31-Mar-16	As at 31-Mar-15
As per the last Balance Sheet	51,035,433	24,907,787
Add:- Net profit for the current year	34,737,731	45,926,675
Less:- Appropriations	-	-
- Proposed Dividend	-	16,500,000
-Dividend distribution Tax (For FY 2014-15)	59,970	3,299,029
Closing Balance	<u>85,713,194</u>	<u>51,035,433</u>
Total Reserves and Surplus	<u>85,713,194</u>	<u>51,035,433</u>



Note 3:- NON-CURRENT LIABILITIES

(a) Long-Term Borrowings

Secured Loan

Term Loans From Banks

-In Rupee

- Axis bank Ltd

- Tata Capital Financial Services Ltd

As at
31-Mar-16
(Rs.)

As at
31-Mar-15
(Rs.)

- Axis bank Ltd	81,000,000	149,000,000
- Tata Capital Financial Services Ltd	50,000,000	-
	<u>131,000,000</u>	<u>149,000,000</u>
Less: Current Maturities of Term Loan	67,759,000	68,000,000
	<u><u>63,241,000</u></u>	<u><u>81,000,000</u></u>

Outstanding amount as on 31st Mar 2016	ROI%	No. of equal quarterly instalments	Balance No. of Quarterly Instalments as on 31st Mar 2016
*28500000	BR 9.85%+1.15%	24	4
*21000000	BR 9.85%+1.15%	23	7
*31500000	BR 9.85%+1.15%	23	7
**50000000	BR 9.30%+1.35%	54 (Monthly)	54 (Monthly)

* Axis Bank Ltd: First Paripasu charge on movable Fixed Assets of the company and equitable mortgage over leasehold rights over land and building, situated at Plot no.1,Bidadi Industrial area, Ramanagara, Bengaluru ,Karnataka and further secured by second Paripasu charge on the entire assets of the company, both present and future.

**Tata Capital Financial Services Ltd: First Paripasu charge on movable Fixed Assets of the borrower.Second Paripasu charge on entire current assets of the borrower,both present & future.Collateral: First Paripasu charge by way of equitable mortgage and leasehold rights of land and building, situated at Plot no.1,Bidadi Industrial area, Ramanagara, Bengaluru ,Karnataka.

	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (Rs.)
(b) Deferred Tax Liability (NET)		
Deferred Tax Liability		
- Related to Fixed Assets	58,460,264	53,873,145
Total (A)	<u>58,460,264</u>	<u>53,873,145</u>
Deferred Tax Assets		
- Disallowance under Section 43B and 35D of the Income Tax Act, 1961	1,095,872	407,348
- Carried forward losses as per Income Tax Act, 1961	4,705,924	18,234,867
Total (B)	<u>5,801,797</u>	<u>18,642,215</u>
Total (A-B)	<u><u>52,658,468</u></u>	<u><u>35,230,930</u></u>

(c) Long-Term Provisions
-Provisions for Employee benefits

	2,161,581	1,811,517
	<u>2,161,581</u>	<u>1,811,517</u>



Note 4:- CURRENT LIABILITIES

(a) Short-Term Borrowings

Secured Loan

From Bank

-Cash Credit*

- Others

Unsecured Loan

- Bills Discounted**

As at
31-Mar-16
(Rs.)

As at
31-Mar-15
(Rs.)

52,421,267 29,341,234
-

31,587,100 45,758,616

84,008,367 112,828,510

*Secured by: First Pari Passu charge on entire current assets of the company, both present and future and further secured by second Pari Passu charge on movable fixed assets of the company and equitable mortgage over lease hold rights over land and building at plot no1, Bidadi Industrial area, Ramanagara, Bengaluru, Kamataka

*Interest Rate is basic rate+1.15%

(b) Trade payables

- Outstanding Dues to Micro & Small Enterprises (Note 20)

- Outstanding Dues to other than Micro & Small Enterprises

- 577,175
104,004,247 80,453,056

104,004,247 81,030,231

(c) Other Current Liabilities

Current Maturities of Long-Term Borrowings

Interest Accrued but not due on borrowings

Advance from Customers

Payable for capital goods

Statutory Liabilities

Employees Related Liabilities

Others Payable

67,759,000 68,000,000

1,024,885 1,991,577

195,251,269 11,511,423

- 1,050,125

8,247,295 11,567,863

1,538,326 4,797,613

2,331,692 2,141,107

276,152,467 101,059,708

(d) Short-Term Provisions

Provision for Employee Benefits

Provision for Dividends

Provision for Dividend Distribution Tax

Provision for Income tax

1,152,917 1,041,927

- 16,500,000

- 3,299,029

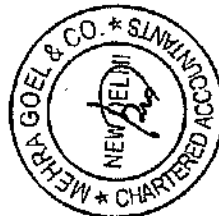
- 1,716,184

1,152,917 22,557,140





Particulars	Gross Block				Depreciation		Net Block	
	As at 01.04.15 (Rs.)	Additions during the year (Rs.)	Sales/ Adj	Total as on 31.03.2016 (Rs.)	As at 01.04.2015	Depreciation for the period	As on 31.03.2016 (Rs.)	As on 31.03.2015 (Rs.)
Tangible Assets								
BUILDING	105,756,792	1,305,231		107,062,023	12,587,968	3,356,288	91,117,767	93,168,824
PLANT & EQUIPMENT	488,482,494	23,271,978		511,754,472	129,350,784	31,635,187	360,768,523	359,131,710
OFFICE EQUIPMENT	1,730,684	691,224		2,421,908	733,884	481,413	1,206,610	996,800
FURNITURE & FIXTURE	1,761,238	-		1,761,238	934,711	158,428	670,100	826,527
VEHICLE	2,984,781	-		2,984,781	1,412,281	436,771	1,135,728	1,572,500
COMPUTER	2,643,939	97,439		2,741,377	2,330,682	131,121	279,574	313,257
Total Tangible Assets	603,369,929	25,365,871	-	628,726,800	147,350,311	36,197,188	445,178,302	456,009,618
Intangible Assets								
COMPUTER SOFTWARE	2,096,515	-		2,096,515	1,906,459	153,790	36,267	190,056
Total Intangible Assets	2,096,515	-	-	2,096,515	1,906,459	153,790	36,267	190,056
Total Assets	605,466,444	25,365,871	-	630,822,315	149,256,770	36,350,978	446,214,569	456,199,674
Previous years figures	600,846,704	4,639,060	29,320	605,466,444	108,229,187	41,029,684	456,199,674	492,617,517



**Note 6 : LONG-TERM LOANS AND ADVANCES
(Unsecured considered good, unless otherwise stated)**

	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 Rs
Capital Advances	144,634	-
Security Deposits	418,250	418,250
Advance Tax (Net)	26,485,615	26,474,193
MAT Recoverable	35,809,566	25,149,372
Prepaid Expenses	345,549	382,805
Advance Recoverable from Employees	759,886	432,209
Gratuity Recoverable	-	368,892
	63,963,500	53,225,721



JBM OGIHARA AUTOMOTIVE INDIA LIMITED

Note 7:- CURRENT ASSETS

	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 Rs
(A) Inventories (At Lower of cost and Net Realisable Value)		
Raw Material	263,876,417	24,883,151
Stock in Process	7,940,062	6,431,445
Stores & Spares	2,456,301	1,413,928
Goods In Transit	-	294,753
	274,272,779	33,023,277
(B) Trade Receivables Exceeding six months from the due date		
Others	72,067,981	88,364,459
	72,067,981	88,364,459
(C) Cash and Bank Balances Cash and Cash equivalents		
Cash-in-hand	55,259	54,638
Balances with Banks - In Current Account	210,659	46,731
	265,918	101,369
(D) Short-Term Loan and Advances (Unsecured Considered Good, unless otherwise stated)		
Advances Recoverable in Cash or in Kind or for Value to be Received	779,219	531,727
Prepaid Expenses	333,884	321,148
Advance to Supplier	6,223,737	70,789,614
Cenvat Receivable	25,970,654	3,996,479
	33,307,495	75,638,968
	379,914,173	197,128,073



	Period ended as on 31-Mar-16 (Rs.)	Period ended as on 31-Mar-15 (Rs.)
Note 8: REVENUE FROM OPERATION		
Sale of Goods	796,542,867	864,714,669
Sales-Service	27,432,972	23,751,654
Other operating Revenues	69,213,705	74,789,581
	<u>893,189,544</u>	<u>963,255,904</u>
Note 9: OTHER INCOME		
Exchange Gain	2,187,465	239,783
Excess provision written back	87	67,971
	<u>2,187,552</u>	<u>307,754</u>



Note 10: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

	Period ended as on 31-Mar-16 (Rs.)	Period ended as on 31-Mar-15 (Rs.)
Opening stock		
Work in process	6,431,445	5,264,017
Finished goods	-	-
Total	6,431,445	5,264,017
Closing stock		
Work in process	7,940,062	6,431,445
Finished goods	-	-
Total	7,940,062	6,431,445
(Increase)/Decrease of finished goods, work-in-progress		
Work in process	(1,508,617)	(1,167,428)
Finished goods	-	-
Total	(1,508,617)	(1,167,428)
Excise Duty on (Increase) /Decrease of finished stock	-	-
Increase /(Decrease) in stocks	(1,508,617)	(1,167,428)

Note 11: EMPLOYEE BENEFIT EXPENSES

Salary & Wages	76,221,143	68,016,823
Employers' Contribution to PF, & Other Fund	3,067,271	2,995,109
Staff Welfare	17,959,170	16,259,743
Group/mediclaime insurance	426,071	357,183
Total	97,673,655	87,628,858



JBM OGIHARA AUTOMOTIVE INDIA LIMITED

Note 12: FINANCIAL CHARGES

	Period ended as on 31-Mar-16 (Rs.)	Period ended as on 31-Mar-15 (Rs.)
Interest Expenses on:		
- Term loan	15,747,494	24,158,579
- Others	7,156,274	5,547,863
- Other Finance cost	134,518	32,494
- Interest on Income tax & TDS	119,162	372,865
	23,157,448	30,111,801

Note 13: OTHER EXPENSES

Stores & Spares Consumed	6,042,131	5,622,890
Job Work Charges	30,446,557	33,245,391
Power & Fuel	10,852,927	11,701,139
Royalty	18,736,259	19,833,793
Technical Services	1,489,639	2,313,134
Repair to:		
-Machinery	6,499,486	5,718,627
- Building	876,596	315,569
- Others	417,856	510,337
Rent (including land lease rent)	4,126,744	4,119,876
Rates & Taxes	974,313	1,067,037
Insurance	199,579	208,849
Packing Charges	126,319	107,785
Auditors' remuneration		
- Statutory Audit	485,000	485,000
- Tax Audit	65,000	65,000
Legal & professional Charges	1,126,330	1,581,248
Other Miscellaneous Expenses	8,751,191	7,821,052
Bank charges	86,601	90,486
	91,302,530	94,807,213



JBM OGIHARA AUTOMOTIVE INDIA LIMITED

Note 14. The Company is a Joint Venture between JBM Auto Limited and Ogihara (Thailand) Co. Ltd. Having shares in the ratio of 51:49 respectively. The Company's primary objective is to manufacture and sell Steel Stamping and Sub-Assembly of Auto Parts. The Company is the subsidiary of JBM Auto Limited.

Note 15. DEFERRED TAX
Deferred Tax Assets As on 31st March, 2016 comprise of the following

Particulars	CURRENT YEAR 2015-16		PREVIOUS YEAR 2014-15	
	ASSETS	LIABILITY	ASSETS	LIABILITY
	VALUE		VALUE	
i) Relating to fixed Assets	-	58,460,264	-	53,873,145
ii) Disallowances as per Income Tax Act, 1961	1,095,872	-	407,348	-
-Carried forward losses as per Income Tax Act, 1961	4,705,924	-	18,234,867	-
Net	52,658,468	-	35,230,930	-
Total	58,460,264	58,460,264	53,873,145	53,873,145

Note 16. Earnings per share

Particulars	As at March 31, 2016	As at March 31, 2015
Profit After Tax	34,737,731	45,926,675
Weighted Average No. of Equity Shares(No.)	22,000,000	22,000,000
Nominal Value of each equity share (Rs)	10	10
Basic and Diluted Earnings Per Share (Rs)	1.58	2.09

Note 17. Estimated amount of contracts remaining to be executed on capital account (Net of advances) not provided for Rs. NIL (Previous year Rs. NIL).

Note 18. The Company have following foreign currency exposures that have not been hedged by derivative instrument:

Liabilities	(In Rupees)	
	As at March 31, 2016	As at March 31, 2015
In JPY	8,00,000	6,00,000
(Equivalent approximate in INR)	4,74,843	3,12,000
In US Dollar	1,81,079.60	-
(Equivalent approximate in INR)	120,11,009	-



Sprock

Note 19. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

Company had sought confirmation from the vendors whether they fall in the category of Micro, Small or Medium Enterprises. Based on the information available, the required disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is given below:

S.No.	Particulars	(In Rupees)	
		2015-2016	2014-2015
a.	Principal amount remaining unpaid but not due as at year end.	NIL	5,77,175
b.	Interest due thereon as at year end.	-	-

Note 20. Retirement Benefits

The Company has calculated the benefits provided to employees as under-

A. Provident Fund

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-

	2015-2016	2014-2015
Employer's Contribution to Provident Fund*	23, 76,684	21, 83,046

B. State Plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss: -

	2015- 2016	2014-2015
Employer's contribution to Employee State Insurance	4, 64,368	5, 61,346

*included in contribution to Provident and other funds under Employee Remuneration and Benefits (Refer Note No. 11)

C. Defined Benefit Plans

a) Contribution to Gratuity Fund – Employee's Gratuity Fund.

b) Leave Encashment/ Compensated Absence

In accordance with Accounting Standard 15 (Revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

i)	Actuarial Assumptions	Leave Encashment/ Compensated Absence		Employee Gratuity Fund	
		2016	2015	2016	2015
	Discount Rate (per annum)	8.05%	7.80%	8.05%	7.80%
	Rate of increase in compensation levels	5%	5%	5%	5%
	Rate of return on plan assets	N.A	N. A	8.35%	9.00%
	Expected Average remaining working lives of employees (years)	28.94	28.69	27.89	28.69



JBM OGIHARA AUTOMOTIVE INDIA LIMITED

ii)	Change in the obligation during the year ended 31 st March,	Leave Encashment/ Compensated Absence		Employee Gratuity Fund	
		2016	2015	2016	2015
	Present value of obligation at the beginning of the year,	1,811,517	2,356,868	1,949,713	1,395,512
	Interest cost	107,349	154,676	154,427	108,850
	Past Service cost	-	-	-	-
	Current service cost	1,375,758	1,270,589	628,932	579,144
	Benefit paid	(955,956)	(747,674)	(62,740)	-
	Actuarial (gain)/loss on Obligations	(177,067)	(1,222,942)	69,497	(133,793)
	Present value of obligation at the end of the year,	2,161,581	1,811,517	2,739,829	1,949,713

iii)	Change in fair value plan Assets	Leave Encashment/ Compensated Absence		Employee Gratuity Fund	
		2016	2015	2016	2015
	Fair value of Plan Assets at the beginning of the year,	-	-	2,318,605	487,404
	Expected return on Plan Assets	-	-	190,984	124,245
	Contributions	-	-	-	1,786,195
	Benefits paid	(955,956)	(747,674)	(62,740)	-
	Actuarial (gain)/(loss) on Obligations	-	-	1,431	(79,239)
	Fair value of Plan Assets at the end of the year,	-	-	2,448,280	2,318,605

iv)	Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets	Leave Encashment/ Compensated Absence		Employee Gratuity Fund	
		2016	2015	2016	2015
	Present value of obligation at the end of the year,	2,161,581	1,811,517	2,739,829	1,949,713
	Fair value of Plan Assets at the end of the year,	NIL	NIL	2,448,280	2,318,605
	Funded Status	(2,161,581)	(1,811,517)	(291,549)	368,892
	Unfunded Actuarial (gains)/Losses	-	-	-	-
	Unfunded Net Asset/(Liability) recognized in Balance Sheet	2,161,581*	1,811,517	291,549	(368,892)
v)	Expenses recognized in Profit and Loss Account	Leave Encashment/ Compensated Absence		Employee Gratuity Fund	
		2016	2015	2016	2015
	Current service cost	1,375,758	1,270,589	628,932	579,144
	Past Service cost	-	-	-	-
	Interest cost	107,349	154,676	154,427	108,850
	Expected return on Plan Assets	-	-	(190,984)	(124,245)
	Actuarial (gain)/loss recognized during the year	(177,067)	(1,222,942)	68,066	(54,554)

	Total Expense recognized in Profit and Loss Account	1,306,040#	202,323	660,441	509,195
(*) This pertains to Long Term Liability worked in respect of deferred leave only. Expected Short Term liability of Rs.861, 368/- will be added to this figure. (#) This pertains to long term liability only. Actual payments (under the various heads) incurred over the inter-valuation period should be added to this figure.					
The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The Leave encashment is unfunded, hence details for changes in fair value of Plan assets have not been given.					

Note 21. Additional information pursuant to paragraphs 5 of Part II of Schedule III to the Companies Act 2013

(i) OPENING STOCK, CLOSING STOCK, WORK IN PROGRESS AND SALES

A. Opening Stock

(In Rupees)

S.No.	Particulars	Opening Stock	
		2015-2016	2014-2015
		Amount	Amount
1.	Finished Goods Components, Assemblies And Sub-Assemblies	NIL	NIL

B. Closing Stock

(In Rupees)

S.No.	Particulars	Closing Stock	
		2015-2016	2014-2015
		Amount	Amount
1.	Finished Goods Components, Assemblies And Sub-Assemblies	NIL	NIL

C. Work In Progress

(In Rupees)

S.No.	Particulars	Work-in-Progress	
		2015-2016	2014-2015
		Amount	Amount
1.	Work In Progress Components, Assemblies And Sub-Assemblies	79,40,062	64,31,445



D. Sales

(` In Rupees)

S.No.	Particulars	Sales	
		2015-2016	2014-2015
		Amount	Amount
1.	Finished Goods Components, Assemblies And Sub-Assemblies	689,748,913	728,280,584
2.	Tools, Dies And Moulds	16,967,000	356,02,313
3.	Others	83,483,549	888,22,780
	TOTAL	790,199,462	852,705,677

(ii) CONSUMPTION OF RAW MATERIAL

(` In Rupees)

S.No.	Particulars	2015-2016	2014-2015
		Amount	Amount
1.	Component	482,709,255	503,659,853
2.	Die Material	10,536,496	281,970,07
	TOTAL	493,245,751	531,856,860

(iii) CIF VALUE OF IMPORTS

(` In Rupees)

S. No.	Particulars	2015-2016	2014-2015
1.	Capital Goods	NIL	20,06,171
2.	Spares-Hyson	NIL	13,808
	TOTAL	-	20,19,979

(iv) EXPENDITURE INCURRED IN FOREIGN CURRENCY

(` In Rupees)

S.No.	Particulars	2015-2016	2014-2015
1.	Travelling	-	-
2.	Professional & Technical Fees	14,89,639-	23,13,134

Note 22. SEGMENTAL REPORTING

The company is engaged in the manufacture and selling of Steel Stamping, Sub-Assembly of Auto Parts and sale of tools and Dies identified in accordance with guiding principles enunciated in Accounting Standard AS-17 "Segment Reporting"



JBM OGIHARA AUTOMOTIVE INDIA LIMITED

Revenue as per Business Segment as Follows:

S.No.	Particulars	Sales	
		2015-2016	2014-2015
		Amount	Amount
1.	Components, Assemblies And Sub-Assemblies	689,748,913	728,280,584
2.	Tools, Dies And Moulds	133,16,000	356,02,313

Note 23. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Disclosure in accordance with the Accounting Standard-18 Related Party Transaction:-

Names of related parties and description of relationship:-

- | | |
|----------------------|---------------------------------|
| 1. Holding Company | JBM Auto Limited |
| 2. Fellow Subsidiary | JBM Auto System Pvt. Ltd. |
| 3. Joint Venture | Ogihara (Thailand) Company Ltd. |

Transactions with the above related parties are as follows:



Note 24. Balances of some Debtors and Creditors Balances are subject to confirmation.

Note 25. Previous year figures have been regrouped and/ or rearranged wherever considered necessary.

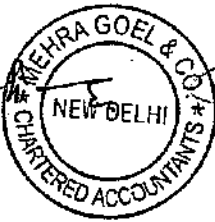
Auditors' Report

As per our report attached

For Mehra Goel & Co.

Chartered Accountants

FRN: 000517N

R.K. Mehra

[Signature]
Director

R.K. Mehra
Partner
M.No. 006102

[Signature]
Director

Place :
Dated : 7th MAY 2016

[Signature]
CFO

Name of Transaction	Holding Company		Fellow Subsidiary		Joint Venture		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Purchase of Goods & Job work JBM Auto System Pvt. Ltd. JBM Auto Ltd. Ogihara (Thailand) Co.Ltd	57,605,912	NIL	NIL	608,835.00	108,101,642	NIL	NIL 57,605,912 108,101,642	608,835 NIL NIL
Sale of Goods & Job work JBM Auto System Pvt. Ltd.			NIL	4,947,125		NIL	NIL	4,947,125
Dividend JBM Auto Ltd. Ogihara (Thailand) Co Ltd	NIL NIL	8,415,000 8,085,000					NIL NIL	8,415,000 8,085,000
Other Expense (Royalty) JBM Auto Ltd. Ogihara (Thailand) Co Ltd	11,241,756	11,900,276			7,494,504	7,933,517	11,241,756 7,494,504	11,900,276 7,933,517
Amount Payable JBM Auto Ltd JBM Auto System Pvt Ltd Ogihara (Thailand) Co Ltd	37,300,004	10,072,295	NIL	6,80,692	18,756,588	71,536,16	37,300,004 NIL 18,756,588	10,072,295 6,80,692 71,536,16
Amount Receivable JBM Auto System Pvt Ltd			NIL	2,64,347			NIL	2,64,347
Advance to Supplier Ogihara (Thailand) Co.Ltd.					NIL	31,172,734	NIL	31,172,734



JBM OGIHARA AUTOMOTIVE INDIA LTD**Note 1:- SIGNIFICANT ACCOUNTING POLICIES****1) BASIS OF PRESENTATION OF FINANCIAL STATEMENTS :**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 1956, to the extent applicable. cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956.

2) USE OF ESTIMATES:

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3) REVENUE/EXPENDITURE RECOGNITION:

Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, outgoing sales tax and other duties, and are recognized when all significant risks and rewards/ownership are transferred to the customer. Revenues from sale of material by products are included in revenue.

Dividend income is recognized when the Company's right to receive payment is established. Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and liabilities.

4) FIXED ASSETS:

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat/cenvet, less accumulated depreciation and includes directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

Machine spares that can be used only in connection with an item or fixed asset and their use is expected to be irregular are capitalized. The replacement of such spares is charged to revenue.

5) ASSETS IN THE COURSE OF CONSTRUCTION:

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.



JBM OGIHARA AUTOMOTIVE INDIA LTD

6) INTANGIBLE ASSETS:

In accordance with the Accounting Standard (AS) 26 relating to intangible assets, all costs incurred on technical know how/license fee relating to production process are charged to revenue in the year of incurrence. Technical know how/license fee relating to process design/plants/facilities are capitalized at the time of capitalization of the said plant/ facility and amortized over a period of three years.

7) IMPAIRMENT OF ASSETS:

Carrying amount of cash generating units/Fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The excess of recoverable amount over the carrying value of the asset is charged, as an impairment loss to the statement of profit & Loss.

8) DEPRECIATION:

Depreciation on fixed assets is provided to the extent of Depreciation amount on straight line method based on useful life of the assets as prescribed in Schedule-II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule-II are used, based on technical advice which considered the nature of assets, the usage of assets, expected physical wear & tear etc.

ASSETS	YEARS
Plant & Machinery & Electric Installation	20
Pallets, Tools & Dies	8

Individual assets costing Rs. 5000/- or less are depreciated in full in the year of purchase. Depreciation on incremental cost arising on account of translation of Long term foreign currency liabilities for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets.

9) INVENTORIES:

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence. Cost is determined on the following basis.

Raw Material is recorded at cost on a first-in, first-out (FIFO) basis;

Finished goods and work-in-process are valued at raw material cost plus cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

By products and scrap are valued at net realizable value.

10) INVESTMENT:

Investments are classified into Current and Non Current investments. Current investments are stated at lower of cost or market value. Non Current investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

11) FOREIGN EXCHANGE TRANSACTIONS:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies outstanding at the year end are translated at the exchange rate applicable as of that date. Non-monetary items denominated in foreign currency are valued at the



JBM GOHARA AUTOMOTIVE INDIA LTD

exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases of long term monetary items where these relate to the acquisition of depreciable fixed assets in which case these are adjusted to the carrying cost of such assets.

12) BORROWING COST:

Exchange difference on foreign currency borrowings relating to acquisition or construction of qualifying assets are included in the costs of those assets when they are recorded as adjustment to interest costs on those foreign currency borrowings. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

13) EMPLOYEE BENEFITS:

i. Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which related service is rendered.

The Company has defined contribution plans for post retirements benefits, namely, Employees Provident Fund Scheme administered through provident fund commissioner and Superannuation Fund administered through Life Insurance Corporation of India and the company's contribution are charged to revenue every year.

Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.

ii. The company has defined benefit plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an Actuarial valuation at the end of the year.

iii. Termination benefits are recognized as an expense immediately.

iv. Gain or Loss arising out of actuarial evaluation are recognized immediately in the profit and loss account as income or expense.

14) CLAIMS:

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

15) EXCISE DUTY:

Excise duty is accounted for on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

16) TAX EXPENSE:

Current tax is provided after taking credit for allowance and exemptions using the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. In case of matters under appeal due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

Minimum alternative tax (MAT) paid in accordance to the tax laws which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay the income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.



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In accordance with Accounting Standard 22 –Accounting for Taxes on Income, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and the tax laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax asset arising from temporary differences are recognized to the extent there is virtual certainty of realization of asset in future. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

17) PROVISION AND CONTINGENT LIABILITY:

Show cause notices issued by various government authorities are not considered as obligation, when the demand notices are raised against such show cause notice and are disputed by the company then these are classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is a probable that there will be an outflow of resources that can be reliably estimated, will be required to settle such an obligation. . Contingent liabilities are not recognized but are disclosed in notes.

18) CONTINGENCIES & COMMITMENTS:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

