



**COMMITTED TO EXCELLENCE**

**JBM AUTO LIMITED**

16th Annual Report 2011-12

# Contents

*Excellence is the sum total of three very important facets: Technology, Innovation and People. It is only when these three work in tandem and in a holistic 360 degree way, excellence is accomplished. With focus on Technology, Innovation and People across the organisation, the company is committed to Excellence.*



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**Board of Directors**



Mr. S.K. Arya  
Chairman



Mr. Ashok Kumar Agarwal  
Director



Mr. M.K. Aggarwal  
Director



Mr. Nishant Arya  
Director



Mr. H.R. Saini  
Executive Director

**Chief Financial Officer & Company Secretary**

Mr. N.K. Goel

**Statutory Auditors**

Mehra Goel & Co., Chartered Accountants

**Share Transfer Agent**

MCS Limited

**BANKERS**

Axis Bank Ltd.

Canara Bank

Central Bank of India

Citi Bank N.A

DBS Bank Ltd.

ICICI Bank Ltd.

IndusInd Bank Ltd.

ING Vysya Ltd.

Kotak Mahindra Bank Ltd.

Standard Chartered Bank

Yes Bank Ltd.



Precision

high dimensional

accuracy,  
consistency

uniformity

technology- led

innovation-edge

people driven

customer-focused

flexibility

high degree of

customisation...



Just some of the words that people often use to describe our manufacturing ability, our products and us...

**WE ARE JBM AUTO LIMITED ...**

An integral part of JBM Group; India's premium diversified conglomerate with 33 manufacturing plants, 5 Engineering & Design Centres across 19 locations worldwide, 16,000 employees, servicing world renowned global automotive majors. With a turnover of 1.2 billion USD, JBM Group is globally recognised for setting new benchmarks in manufacturing automobile products and sub-systems, steel fabrication, construction, engineering and design through extensive use of innovation and technology.



## Chairman's Message

### Dear Shareholders,

Our remarkable journey to the forefront of automotive business is achieved out of a vision to be rated alongside the best in the world. As our journey steams ahead, we are expanding our vision to conquer new horizons.

We at JBM Auto, strive to be distinct in our efforts to provide automotive solutions that are innovative and best. We will continue to stay to our values and mission – a company focussed on becoming the world's best integrated automotive enterprise driven by the quality of our products and passion of our human capital. Our entire value system revolves around Technology, Innovation and People. These values cement our services based on commitment to excel by continuously improving the value proposition.

At JBM Auto, we have the integrated capacity base in place by the support of growing customer

relationships. We are going to leverage both these to gain the market share and to continue with our growing path. We remain cautiously optimistic on delivering results with a strong focus on delivering improved returns on capital employed.

The last financial year 2011-2012, has been an extremely challenging year with effects of some uncontingencies such as Tsunami and earthquake in Japan, floods in Thailand, increase in borrowing rates, slowdown of the Indian economy, devaluation of the Indian rupee, fiscal deficit, inflation and the list continues. All these factors had an adverse impact on automotive sector.

The global economies in 2011-12, witnessed slowdown. Euro zone has worst affected. The world economy is posing a serious risk to the European banking system, the viability of Euro and European integration process. Continuing

“ We will continue our march towards transforming ourselves into a company that will stand for inclusive growth and reward stakeholders consistently.”

problems in the Euro zone will further dampen global markets thus adversely impacting India's economy. US economy though impacted has started showing signs of mild recovery. China and Indian economies which are driving the global economy for some time are also showing the signals of slowdown.

Surely, the prevailing economic environment has had an impact on automotive industry. We believe these challenges are short-term as automotive industry has good prospects. As per the Report of Working Group on Automotive Sector for the 12<sup>th</sup> Five Year Plan (2012-2017), the automotive industry would continue to grow substantially in times to come.

However, for the financial year 2012-13, lower growth is forecasted due to weak macro-economic conditions. The cost of owning a vehicle has gone up in recent months and there is pressure due to high fuel prices and interest rates.

Having said so, we strongly believe that economic cycles will always exist and our long-term vision will rely on identifying and delivering in pockets of opportunity that are always there in the worst of economic conditions.

The ability to deliver even in difficult times is attributable to JBM Auto's strategic positioning as an integrated business catering to different geographies. We will internally reinforce strategies to bring down our cost that carry the stamp of our cutting edge innovation.

The ambition and vision which focuses on continuous delivery at the highest standards is only possible with the right quality of people. Effective HR practices play a critical role; we seek to continuously promote a culture of training, people development and meritocracy to ensure the maximum human capital efficiency. Systematic efforts are made to ensure that appropriate level of balance is maintained at both the levels.

Over the past few years, we have successfully created an enterprise of global standards in terms of technology, innovative and people. We will continue our march towards transforming ourselves into a company that will stand for inclusive growth and reward stakeholders consistently.

I would like to convey my thanks to each and everyone associated with JBM Auto Ltd. I would like to express my gratitude to all shareholders for their unflinching support and reposing faith in us. We will remain committed towards enhancing our shareholders' value. I would also like to appreciate the unconditional support, tremendous efforts and enthusiasm of our employees who have always been there with us.

**S K ARYA**  
CHAIRMAN

## Company Snapshot

JBM Auto is engaged in the manufacture of sheet metal components, assemblies, sub- assemblies, tools, dies and moulds. The company's manufacturing facilities and tool rooms are strategically located in close proximity of leading automobile hubs of India at Faridabad, Greater Noida, Nashik, Chennai, Sanand and Pune. The company products are widely used in two-wheelers, cars, tractors and trucks, White Goods industries and other sectors in India and overseas.

The company operates through three main divisions namely Sheet Metal Division, Tool Room Division and special purpose vehicle (SPV).



### 1. Sheet Metal Division (Manufacturing sheet metal components, assemblies, sub- assemblies)

JBM Auto's Sheet Metal Division manufactures metal components, assemblies and sub- assemblies. BIW parts and assemblies constitute all major sheet metal parts contained by the outer body of the vehicle. These parts are joined together to form sub assemblies, which are then combined to provide various section of the vehicle including structural and load bearing areas. The division also manufactures skin panels which defines the exterior surface for a vehicle- these are the most vital parts of the vehicle as they provide the total visual impact, aesthetics and shape to the vehicle.







## 2. Tool Room Division (Manufacturing tools, dies and moulds)

Tool-making requires extensive collaboration with the customer, due to the high degree of production customisation and to match this requirement the Company's Tool Rooms are continuously upgraded to interface with the latest industry-grade software and technology.



## 3. Comprehensive Product Range

Some of the Company's key products manufactured include: door panel, back panel, floor panels, dash panels, wind shield, door inners, tail gate inner, cover plate longitudinal, rare floor upper, rear bumper, bonnet, tipper, draw (upper), tunnel assembly, drum assembly, lower arm assembly, panel RR inner, cross car beam, pillar B inner, roof, axle, etc.

## Our Vision



Expanding  
**leadership**  
in our business through  
**people,**  
keeping pace  
with market trends and  
**technology...**

## Our Core Values

Simplicity, teamwork, trust amongst people, customer focus and meeting commitment from the preamble of JBM Group's and JBM Auto's constitution

- Simplicity lies in our flexible approach, openness to new learning and effective communication for capacity building and personal dynamism.
- Team work with well-defined responsibilities, authorities and accountability.
- The Trust amongst people bond, binding the people in JBM Family, is the nerve center that governs the growth and the development of the group.
- Customer focus to the optimum level is the focused area of our policy planning that continuously drives us to venture in innovative and latest designs and management practices.
- Meeting Commitments to give best in every field is the buzz word of the group and characteristics of every functionary.





## Our Value Proposition

The three key components of JBM Auto's success pillars are Innovation, Technology and People. Firmly rooted in the legacy of the JBM Group, the company believes in continuously redefining its boundaries to always deliver value to customers.



**Comprehensive  
Product Range**

**Diverse  
Customer Base**

**Pan India Presence**

**Catering To Different  
Industry Segments**

**Innovation  
& Technology Edge**

**Best Quality & Practices**

**People Focussed**



**“Just make up your mind at the very outset that your work is going to stand for quality... that you are going to stamp a superior quality upon everything that goes out of your hands, that whatever you do shall bear the hall-mark of excellence.”**

**- Orison Swett Marden**



## **Manufacturing Excellence**

The Company's modern plants are located at Faridabad, Greater Noida, Nashik, Chennai, Kosi, Sanand and Pune. Strong- in house engineering and manufacturing capabilities enables it to meet the fast changing requirements of customers. To ensure best QCDD (Quality Cost, Development & Deliveries), JBM Auto has invested in world class vertically integrated infrastructure and boasts of one of the best tool rooms of the country.

- Laser Cutting
- Laser Welding
- Tandem Press line
- Differential Zn Plating
- Roll Forming
- Tool Management
- Plasma cutting
- Tool room
- Exhaust lines
- CAD/ CAM/ CAE Software
- 3D/ Portable CMMs
- Press lines
- Weld lines
- Surface treatment
- Powder coating
- Zn Plating
- ED Coating
- Heat resistant paint
- Tubular manipulations
- Tube cutting
- CNC pipe bending
- Steel processing

### **Robust Infrastructure**

- Flexible manufacturing
- Laser cutting
- Surface treatment
- Powder coating

## **Sophisticated Machinery**

The Company's plant with sophisticated machinery & equipment and press shops manufactures various components for cars, tractors and trucks. Some of the products manufactured at the Faridabad plant include BIW parts and sub- assemblies for cars, skin panels and axels for tractors and body components, bumpers, axels and suspension components for trucks. The components manufactured at this plant are also exported to various truck manufacturers in Europe.

## **Strategic Proximity**

The locations at Chennai and Pune ensure that the company's facilities and products are in close proximity to the most important automobile manufacturing hub of the country. The state-of-the art plant at Greater Noida, set up in the year 2003 caters to the fast expanding domestic automobile industry. Greater noida is also home to several large domestic and MNC automobile companies. In the year 2006, the Company further expanded by putting up a new manufacturing unit at Nashik, in Maharashtra.

## **Press Lines & Tool Tooms**

The Company has press lines in a wide range in both the hydrolic and mechanical version. In addition, it also has tandem lines to cater to high volume of components parts and skin parts.

Tool- making requires extensive collaboration with the customer, due to the high degree of production customisation. Because manufacturers typically contract tooling suppliers located in relative proximity to their manufacturing facilities, the transformation of India into an important automobile manufacturing hub has thrown open an enormous opportunities. JBM Auto though its world - class tool room is equipped to customised and deliver solutions to the needs of the modern automotive industry. It can produce tools weighing upto 10 T and is suitable for the presses with the bed size of 2.4m x 1.4m. With in - house designs facilities, JBM Auto through its tool room is capable of developing tools at much faster speed.

The Company continues to invest in upgrading its tool rooms to include the latest software which seamlessly interfaces with various formats to receive CAD data from clients. In addition, simulation software is used for tool designing and manufacturing.

## Innovation and Technology Edge

Innovation and technology are the most vital engines of the company's growth strategy and it is quite understandable that this has been the key focus area.

By continuously benchmarking to new emerging global processes and practices and also understanding the expectations of customers, JBM Auto has time and again invested in production technologies that have provided it a distinct edge.

The Company has focused on sharpening its designing, simulation and engineering (CAD/CAM/CAE) capabilities. JBM Auto through use of latest industry great soft wares – CATIA, UG, Die Design Bundle, I-DEAS, C3P, VISI CAD is well poised to deliver customised solutions with speed and accuracy.

The nucleus of the Company's growth strategy is the continued focus and thrust on promoting technological advancements and innovating new processes and practices and through its dedicated R&D team to consistently match world class standard and set new industry benchmarks of customer satisfaction.

## Quality- The JBM Way

As part of a premium globally focused group, quality is sacrosanct and seeped into each and every sphere of its operations from raw material procurement, manufacturing and process chain to actual quality checking to ensure zero defects of its products.

The Company manufacturing plants are certified ISO 9001, OHSAS, ISO 14001 or TS 16949.

At JBM Auto, the Company quality policy strives to achieve total customer satisfaction by delivering products and providing services that meet or exceed the exacting requirements and expectations of customers and it always strives to do so on time and at most competitive prices for its entire product range.

## Best Practices

The Company's long years of experience working with global majors combined with the group's experience has enabled JBM acquire and imbibe the best global practices. Some of these include JIT, Pokayoke, Kanban, Lean Manufacturing, Kaizen etc. The company on its part has combined the best practices and has evolved its own unique system called 'The JBM Way'.

These practices not only enable the Company to maintain the equipment and keep it as good as new but also ensure that its systems continue to make minor modifications to continuously improve the processes, eliminate waste, enable better interface with upstream and downstream handling, and so on. Employees at JBM Auto are deeply involved, engaged and empowered to provide suggestions for improvements through practical experience are shared. Employees are encouraged to undertake industry certified courses that drive excellence.





## Joint Ventures & Subsidiaries

### **JBM MA Automotive Private Limited (JBMMA):**

Incorporated in 2007, JBMMA is a 50:50 joint venture (JV) between JBM Auto Limited (JAL, part of the JBM Group) and MA SPA, Italy (MA, Part of the CLN Group). The JV has been formed to undertake the manufacture and supply of sheet metal parts namely skin panels, under body panels and other assemblies to Tata Motors Limited (TML), Fiat India Automobiles Private Limited (FIAPI- Tata Fiat JV), and the Volkswagen Group. The company began commercial production from its plants at Pune (Maharashtra) on 15th January, 2009 and is currently supplying parts for TML,s 'Indica' and current supplies sheet metal components limited to the 'Indica Vista' model of TML and the 'Linea' and 'Grande Punto' models of FIAPL.



### **Indo-Toolings Private Limited (ITPL):**

ITPL is a 50:50 Joint Venture of JBM Auto Limited and Sandhar Technologies Limited and is the largest and best equipped Commercial Tool Room in Central India, located at Indore, the industrial and commercial Capital of Madhya Pradesh.

ITPL is the complete solution provider for all kinds of tooling requirement, including stamping tools, plastic injection moulds, PDC dies, fixtures etc.



## **JBM Ogihara Automotive India Limited (JOAI):**

JOAI is a joint venture company between JBM Group of India and Ogihara Thailand. The company established in February 2009, has a well equipped plant located at Bangalore in TKM Onsite Supplier Park. JOAI Limited is instrumental in the production of different kinds of press parts, nuts/bolt weld, assembly parts and fuel pipes required in the automobile industry. The ultra modern plant includes a welding shop, robot welding, light press and a jumbiki area. The company with its well equipped plants and robust manufacturing capacities in varied automotive parts is a reliable and strong supplier to the automobile industry.

## **JBM Auto System Pvt. Limited (JBMAS):**

JBMAS commenced operations in May 1999 to supply auto components to Ford India and within a year started exporting components to South Africa, Mexico and to China in Aug 2002. The Company has set up plant within the Ford India Supplier's Park. The operations have been expanded to supply chassis, suspension systems and fuel fillers etc. to existing as well as new customers.

With ultramodern press lines, welding lines, fully automated lead free water based CED paint system and tool room with in-hose designing capabilities, the company has invested in flexible manufacturing facilities to meet increased customer volumes and future new products launches by automotive OEM's.

## Financial Highlights

### STANDALONE

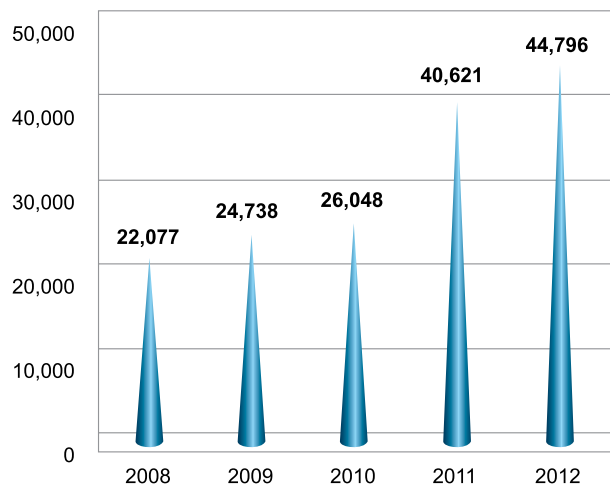
Particulars	2008	2009	2010	2011	2012
Gross Sales	21972	24725	25903	40581	44654
Net Sales	18621	21636	23780	36485	39587
Other Income	105	13	145	41	142
Total Income (Gross)	22077	24738	26048	40621	44796
Profit Before Depreciation & Tax (PBDT)	1461	2603	1970	2689	2275
Cash Profit	1197	2204	1433	2194	1973
Profit Before Tax (PBT)	918	2007	1224	1872	1143
Profit After Tax (PAT)	654	1285	824	1296	716
Equity Share Capital	1020	1020	1020	1020	1020
Reserve & Surplus	3584	4765	7898	8910	9402
Net Worth	4604	5785	8918	9930	10422
PBT/Net Sales (%)	4.93	9.28	5.15	5.13	2.89
PAT/Net Sales (%)	3.50	5.94	3.47	3.55	1.81
RONW (PAT/Net worth)%	14.20	22.21	9.24	13.05	6.87
Debt Equity Ratio	0.94	1.43	1.09	0.97	1.14

## Financial Highlights

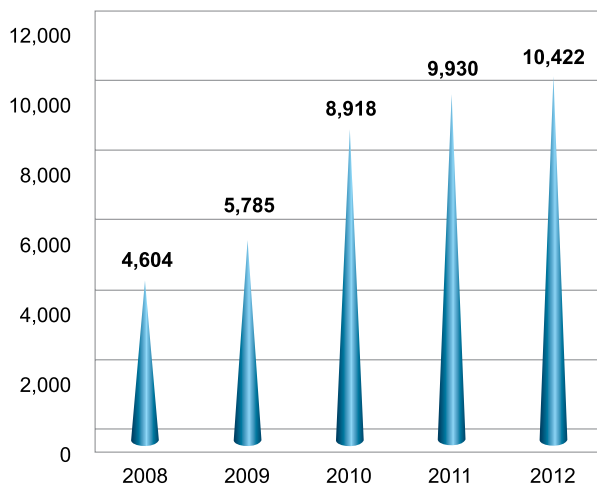
### CONSOLIDATED

Particulars	2010	2011	2012
Gross Sales	44886	82049	108233
Net Sales	41469	73179	96732
Other Income	185	210	578
Total Income (Gross)	45071	82260	108811
Profit Before Depreciation & Tax (PBDT)	3608	6007	7818
Cash Profit	3006	4827	6483
Profit Before Tax (PBT)	1513	3741	4784
Profit After Tax (PAT)	946	2485	3199
Equity Share Capital	1020	1020	1020
Reserve & Surplus	8421	10455	12954
Net Worth	9441	11475	13974
PBT/Net Sales (%)	3.65	5.11	4.95
PAT/Net Sales (%)	2.28	3.40	3.31
RONW (PAT/Net worth)%	10.02	21.66	22.89
Debt Equity Ratio	1.64	1.58	1.65

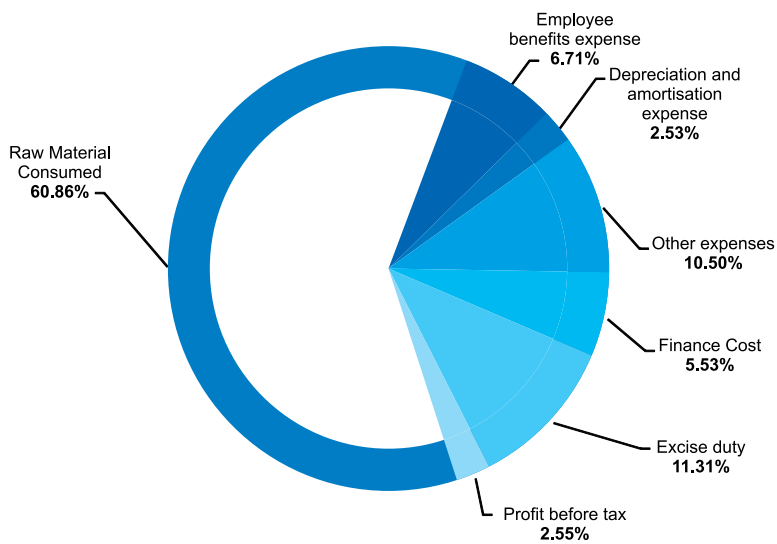
### Gross Sales & Other Income



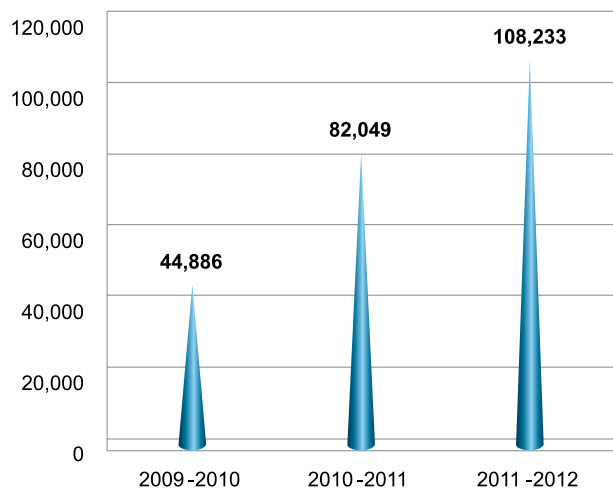
### Net Worth



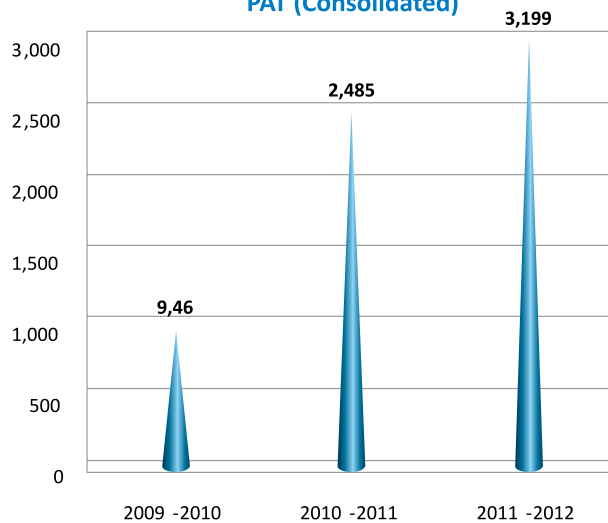
### Distribution of Income 2012



### Turnover (Consolidated)



### PAT (Consolidated)



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## LETTER TO SHAREHOLDERS

Dear Member,

As part of Green Initiative in Corporate Governance and after withdrawal of certificate of posting facility by the postal department, the Ministry of Corporate Affairs (MCA), Government of India vide its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. It will also ensure prompt receipt of communication, reduction in paper consumption and avoid loss in postal transit.

Keeping in view the spirit of the circular issued by MCA, we are pleased to inform that the Company has decided to henceforth send all communication / documents like the Notice convening the General Meeting, Financial Statements, Directors' Report, Auditors' Report etc. on and from the year ended March 31, 2011, in electronic mail (E-mail), to those shareholders' whose e-mail ID is available in our records/depository.

In case you are holding shares in physical mode and desire to receive communication / documents mentioned above by email or you want to receive them at any other email- ID, you are kindly requested to fill the registration form attached at the end of the Annual Report and send it by e-mail to [jbmainvestor@jbm.co.in](mailto:jbmainvestor@jbm.co.in) or by courier to **Company Secretary, JBM Auto Limited, 610, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110019** or to the Company's Registrar & Share Transfer Agent M/s **MCS Limited at F-65, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110020**.

The documents will also be uploaded on the website of the Company viz. [www.jbm-group.com](http://www.jbm-group.com). The documents will also be available for inspection at the registered office of the Company during working hours. As a member of the Company, you are always entitled to receive free of cost, documents like notices, annual report, etc. in accordance with the provisions of the Companies Act, 1956.

The Company is looking forward to your kind cooperation in this green initiative.

Thanking you.  
Yours faithfully,

For **JBM Auto Limited**

Sd/-

**(N. K. Goel)**

CFO & Company Secretary

Date : 08.08.2012

## Directors' Report

Dear Members,

Your Directors have the pleasure in presenting the Sixteenth Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2012 and Auditors report thereon.

### Financial Results

(₹ in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	2011-12	2010-11	2011-12	2010-11
Gross Sales & Other Income	44796.06	40559.05	108810.88	82188.08
Profit Before Tax	1142.81	1871.53	4783.67	3741.43
Less: Provision for Tax	426.87	575.88	1584.53	1256.55
Profit After Tax	715.95	1295.65	3199.13	2484.87
Less: Minority Interest	-	-	611.56	333.05
Balance brought forward	5129.32	4281.58	5513.06	3643.46
Add: Previous year adjustment in Profit of subsidiary and joint venture.	-	-	(78.11)	88.75
Add: Transfer to Goodwill	-	-	10.31	76.94
Profit available for appropriation	5845.27	5577.23	5445.26	5960.97

### Operational and Financial Review

The year 2011-12 started with low sentiments and sluggish demand. The performance of the auto-component industry is directly linked with the automobile industry, which was under pressure during the year. The main reasons of overall situation were increase in petroleum prices & increase in interest rates by bank leading to buying & running cost of vehicles more costly which has direct impact on the automobile industry.

During the year under review your company recorded Sales & other income of ₹ 44796.06 lacs as against ₹ 40559.05 lacs recorded in the previous year, registering a growth of 10.45%. However, the Profit before Tax (PBT) is decreased to ₹ 1142.81 lacs from ₹ 1871.53 lacs in the previous year mainly on account of increased cost of interest and depreciation on the expansion undertaken by the company in the last year, primarily in Sanand Unit of the company.

### Subsidiaries

Your Company has two subsidiaries namely M/s JBM Ogihara Automotive India Limited and M/s JBM Auto System (P) Limited.

### Particulars under Section 212 of the Companies Act, 1956

As per the circular of the Ministry of Corporate Affairs dated 8th February, 2011, the Central Government has granted the general exemption to the Companies for not attaching the annual accounts of its Subsidiaries.

Your Directors have given their consent for not attaching the annual accounts of its Subsidiaries in their meeting held on 28th May, 2012. Pursuant to the circular of the Ministry of Corporate Affairs, it is decided by the Board that the annual report of the Company shall present the consolidated financial statements of your Company and all its subsidiaries duly audited by its statutory auditors.

### Dividend and Appropriations

#### Appropriation

During the year 2011-12, an amount of ₹ 40 Lacs (in 2010-11 – ₹ 164.35 Lacs) was transferred to General Reserve of the Company.



## Directors' Report contd...

### Dividend

Your Board of Directors are pleased to recommend a Dividend of ₹ 1.50 (15%) per share on fully paid up Equity shares of ₹ 10/- each for the Financial Year 2011-12. The dividend distribution would result in an outflow of ₹ 1,77,80,023 ( Rupees One Crore Seventy Seven Lacs Eighty Thousand Twenty Three only) including corporate dividend tax. The dividend is tax free in the hands of recipient.

### Expansion

Expansion plans undertaken by your company for Honda's New Small Car projects at Faridabad and Greater Noida Unit have been completed.

At present the company has four manufacturing facilities at Faridabad, Nashik, Sanand and Greater Noida. You will be pleased to know that your company has been selected by VECV (Volvo Eicher Commercial Vehicle) as one of the leading supplier of Sheet Metal Components, assemblies etc. for their commercial vehicles. To cater to VECV, your company is setting up a new manufacturing facility at Pithampur, Indore, Madhya Pradesh, to manufacture sheet metal components, assemblies etc. primarily for VECV's HCV/LCV range of vehicles.

The production in this unit will start in the current year.

### Awards

During the year under review, your Company has received the award from Tata Motors Limited for supplying parts of Tata Nano.

### Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Nishant Arya, Director of the Company will retire by rotation in the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends the re-appointment of Mr. Nishant Arya. The brief resume/details relating to Mr. Nishant Arya, Director, who is to be re-appointed, is furnished in the explanatory statement of the notice of the ensuing Annual General Meeting.

The term of office of Mr. H.R. Saini, Executive Director of the company has been renewed for a further period of two years from June 2012 with revised remuneration from April 2012.

The above appointments/ re-appointments are subject to the approval of the members in the ensuing Annual General Meeting.

### Directors' Responsibility Statement

Your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956, to the best of their knowledge and belief and according to the information and explanation obtained by them:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied 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 as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts of the year ended 31st March, 2012 have been prepared on a going concern basis.

### Management Discussion & Analysis Report

The Management Discussion & Analysis Report, pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto, forming an integral part of this report.

## Directors' Report Contd...

### Corporate Governance

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance along with Auditors' Certificate on its compliance is annexed hereto, forming an integral part of this report.

### Auditors and Auditors' Report

The Auditors, M/s Mehra Goel & Co. will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that the re-appointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

The observations of the Auditors have been explained wherever necessary in the appropriate notes to the Accounts and do not call for any further comments.

### Particulars of Conservation of Energy, Technology absorption & foreign exchange earnings and outgo

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I forming part of this Report.

### Particulars of Employees

No employee of the Company was drawing remuneration as prescribed under Section 217 (2A) of the Companies Act, 1956

### Listing Fee

The Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees has already been paid for the financial year 2012-13. Further Annual Custodial fee have also been paid to NSDL & CDSL for the F.Y 2012-13.

### Transfer of Unpaid and Unclaimed amounts to IEPF

Pursuant to the provisions of Section 205A (5) of the Companies Act , 1956, the declared dividends which remained unpaid or unclaimed for a period of 7 years will be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the said Act.

### Industrial Relations

The Industrial Relations in the Company remained cordial and peaceful, during the year under review.

### Appreciation

Your Directors convey their sincere thanks to Company's customers, suppliers, bankers and Central and State Governments for their continued guidance, support and cooperation.

Your Directors place on record their deep appreciation of contribution made by employees at all levels. Your Company's consistent growth was made possible by their hard work, commitment, teamwork and loyalty.

The Board of Directors of the Company also expressed their gratitude to the Shareholders for their valuable and un-stinted support extended to the Company throughout the year.

Your Directors acknowledge trusts and confidence reposed by all the Shareholders of the Company.

For and on behalf of the Board

Place: New Delhi

Date: 08.08.2012

S. K. Arya

Chairman

## Annexure – I

Particulars required under the companies (disclosure of particulars in the report of Board of Directors) Rules, 1988.

### (A) Conservation of Energy

#### Energy conservation measures taken by the company;

The Company has taken various steps to conserve the energy:

- Constant monitoring to maintain sustainable power consumption level which resulted in optimization of energy consumption
- Replacement of old equipments with new and low rating equipments.
- To reduce the power consumption by replacing old computer monitors with TFT monitors.
- Discipline to switch off lights and machineries, when not working or not in use, is being maintained.
- Energy savers have been fitted at many places to reduce energy consumption.
- Measures have been taken for availability of natural lightings wherever possible to reduce the load on electrical lighting.
- Minimized compressed air leakage through vigorous maintenance and quantification of leakage in plant, which resulted into reduction in air leakage.

These measures are aimed to reduce power consumption and has brought significant savings in energy consumption.

### (B) Research & Development and Technology Absorption, Adaption and Innovation

#### Form B

#### Research & Development (R & D)

1. Specific area in which R&D work is carried out The company has been constantly working towards Research & Development capabilities.
2. Benefit derived as a result of the above R & D The R & D activities of the Company include the development of processes of sheet metal component forming by designing and manufacturing of intricate press tooling, welding fixtures & gauges and the development and assembly of Special Purpose Vehicle (SPV) to the acceptability levels of the customers who are of international standing.
3. Future plan of action The Company's research & development activities includes up gradation of technology, modification of products to re-establish the benchmark performance in the constantly changing environment, developing intricate dies and tools, components and the development and assembly of Special Purpose Vehicle (SPV) for customers, cost reduction by value engineering etc.
4. Expenditure on R & D: As the company has no separate R & D Cell, the expenditure on these R&D activities can not be ascertained separately.

#### Technology Absorption, Adaptation and Innovation

1. Efforts, in brief made for the technology absorption, adaptation and innovation The company has not bought any technology from outside. However, it has undertaken product developments on its own and is geared to supply components, sub-assemblies and Special Purpose Vehicle (SPV) to the multinational OEMs in India and abroad to their quality levels.
2. Benefits derived as a result of the above e.g. product improvement, cost reduction, product development, import substitution This has resulted in the saving on account of manpower and increased productivity.
3. In case of imported technology (imported during the last 5 years from the beginning of the financial year), the following information: No Import of technology

### (C) Foreign Exchange Earnings and Outgo

1. Activities relating to exports The company is doing the export activities, both direct and deemed export.
2. Total foreign exchange used and earned Foreign exchange earnings were ₹ 707.62 lacs (Previous Year was ₹ 1441.73 lacs) and outgo on account of capital goods, raw materials & spares, traveling, repair & maintenance, interest, job work charges, Freight, Warehouse & Other Charges were ₹ 868.22 lacs (Previous Year ₹ 268.52 lacs).

## Management Discussion and Analysis Report

### Global Economy

The Global Economy has witnessed a large amount of political and economic turmoil over the past 12 months, from uprisings in the Middle East and North Africa to the tsunami in Japan and the sovereign debt crisis in the Eurozone. Resulting volatility in commodity prices, disruptions to supply chains and general uncertainty has impacted businesses across the globe, slowing the recovery in both mature and emerging markets.

Most recently, market tensions have jumped up again, sparked by fiscal slippage, banking downgrades, and political uncertainty in the Euro Area. The renewed market nervousness has caused the price of risk to spike upwards globally and virtually all developing economy currencies have depreciated against the US dollar. Inflationary pressures, driven by loose monetary policy and high commodity prices, are lowering real incomes and reducing spending power across the globe

The problems stalking the global economy are multiple and interconnected. The most pressing challenges are the continued jobs crisis and the declining prospects for economic growth, especially in the developed countries. The rapidly cooling economy is both a cause and an effect of the sovereign debt crisis in the euro area and it has only worsened in a number of European countries in the second half of 2011. Even bold steps by the Governments of the euro area countries to reach an orderly sovereign debt workout for Greece were met with continued financial market turbulence and heightened concerns of debt default in some of the larger economies in the euro zone, Italy in particular. The United States economy is also facing persistent high unemployment, shaken consumer and business confidence, and financial sector fragility.

Assuming that conditions in high-income Europe do not deteriorate significantly, the increase in tensions so far can be expected to subtract about 0.2 percentage points from Euro Area growth in 2012. The direct effect on developing country growth will be smaller (in part because there has been less contagion), but increased market jitters, reduced capital inflows, high-income fiscal and banking-sector consolidation are all expected to keep growth weak in 2012. These drags on growth are expected to ease somewhat, and global growth strengthen during 2013 and 2014, although both developing-country and high-income country GDP will grow less quickly.

A return to more neutral macroeconomic policies would help developing countries reduce their vulnerabilities to external shocks, by rebuilding fiscal space, reducing short-term debt exposures and recreating the kinds of buffers that allowed them to react so resiliently to the 2008/09 crisis.

Even in the absence of a full-blown crisis, elevated fiscal deficits and debts in high-income countries (including the United States and Japan), and the very loose monetary policies being pursued in the high-income world, suggests that for the next several years the external environment for developing economies is likely to remain characterized by volatile capital flows and volatile business sentiment.

### Indian Scenario

India's economic growth rate in 2011-12 slipped to a nine-year low of 6.5%. The economy had expanded by 8.4% in the preceding two years.

World Bank has projected that the Indian economy will grow by 6.9% in this financial year (2012-13) notwithstanding problems like policy uncertainties, fiscal deficit and inflation, while cautioning that developing nations will have to face tougher times.

Some of the major factors that affected growth of Indian economy are monetary policy, stalled reforms, inadequate infrastructure along with fiscal and inflation concerns

Although the Government of India has pegged growth at 7.6% for the current fiscal but considering global uncertainties and domestic woes, this growth rate looks like a difficult preposition.

The revival of Indian economy to high levels of growth is dependent on various factors including key policy decisions awaiting decision of the Government of India which have the capability to bring another wave of reforms like de-regularisation of oil & gas prices, foreign direct investment in multi-brand retail, fast track approvals for FDI applications, tax friendly business structure to business houses etc. It is impertinent that the Government also takes concrete steps to contain fiscal deficit, inflation and rise in interest rates which are presently acting as stumbling blocks towards success.

## Management Discussion and Analysis Report contd...

### Indian Automobile Industry

During the year 2011-12, the Indian automotive sector had to bear the brunt of slowdown and rising cost. The overall Indian automobile industry grew by 12.12 per cent in 2011-12 by selling 17.3 million units, majorly driven by demand for two-wheelers and light trucks.

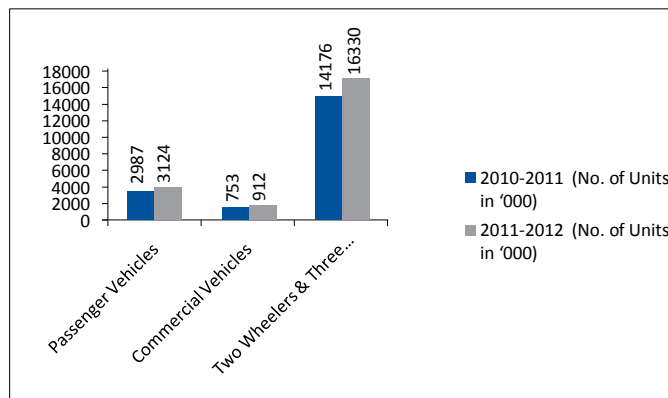
Society of Indian Automobile Manufacturers (SIAM) had downgraded its growth predictions twice during the financial year 2011-12, from a high of 16%-18% to a modest 2% - 4%.

The sector is plagued by high interest rates, high input costs, depreciating rupee and global uncertainty resulting in lower demand for vehicles, especially passenger vehicles.

**As per the data released by SIAM, the overall domestic sales and exports during the year 2011-12 are as under:**

#### Domestic Sales in 2011-2012

	2010-2011 (No. of Units in '000)	2011-2012 (No. of Units in '000)
Passenger Vehicles	2987	3124
Commercial Vehicles	753	912
Two Wheelers & Three Wheelers	14176	16330



### Exports

During April to March 2012, the industry exported 2,910,055 automobiles registering a growth of 25.44%. Passenger Vehicles registered growth at 14.18% in this period. Commercial Vehicles, Three Wheelers and Two Wheelers segments recorded growth of 25.15%, 34.41% and 27.13% respectively during April 2011 to March 2012. For the first time in history car exports crossed half a million in a financial year.

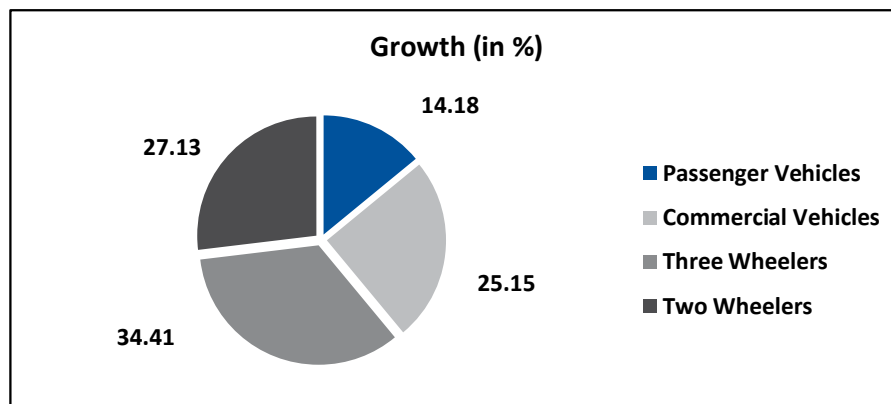
In March 2012 compared to March 2011, overall automobile exports registered a growth of 17.81%

With demand of auto components from not just domestic but even foreign OEMs rising, the auto-component industry would need to ramp up capacities to meet the growing domestic and export demand. This would require constant investments in the component sector, especially at the Tier 2 and 3 levels where capacity constraints are being seen. In addition, the component industry will also have to upgrade technology, quality levels and develop product development.

#### Export Market of Automobile Industry in 2011-2012

	2010-2011	2011-2012	Growth (in %)
Passenger Vehicles	453,479	517,782	14.18
Commercial Vehicles	76,297	95,486	25.15
Three Wheelers	269,967	362,863	34.41
Two Wheelers	1,539,590	1,957,281	27.13

## Management Discussion and Analysis Report contd...



Sources: - The Economic Times Dt. 10.04.2012  
Society of Indian Automobile Manufacturers (SIAM)

### Outlook

The Industry started the year 2012-13 with low growth on a lower note as is evident from the figures released by SIAM which are as under:

### Production

The cumulative production data for April-June 2012 shows production growth of 7.65 percent over same period last year when the growth recorded was 18.43 percent.

### Domestic Sales

The overall growth in domestic sales during April-June 2012 was 9.94 percent over same period last year. In April-June 2011 the growth rate was 15.14 percent.

Passenger Vehicles segment grew at 9.71 percent during April-June 2012 over same period last year. Passenger Cars grew by 5.22 percent, Utility Vehicles grew by 50.85 percent during April-June 2012 as compared to same period last year.

The overall Commercial Vehicles segment registered growth of 6.06 percent in April-June 2012 as compared to the same period last year when the segment registered a growth rate of 14.10 percent. While Medium & Heavy Commercial Vehicles (M&HCVs) registered negative growth at (-11.99) percent, Light Commercial Vehicles grew at 19.92 percent.

Three Wheelers sales recorded marginal growth at 0.83 percent in April-June 2012 against 4.92 percent during April-June 2011. Passenger Carriers grew by 5.66 percent during April-June 2012 and Goods Carriers registered de-growth at (-15.09) percent during this period.

Two Wheelers registered a double digit growth of 10.51 percent during April-June 2012 against 16.89 percent during same period in 2011. Mopeds, Motorcycles and Scooters grew by 6.60 percent, 6.79 percent and 29.14 percent respectively in the period of April-June 2012.

### Exports

During April-June 2012 overall automobile exports registered negative growth at (-1.22) percent. Passenger Vehicles, Commercial Vehicles & Two wheelers grew by 14.00 percent, 7.98 percent and 2.63 percent respectively in April-June 2012. Three Wheelers recorded de-growth at (-40.73) percent.

Various policy initiatives are required to be taken by the Government of India to revive the fortunes of this sector which is also aptly described as the sunrise sector which include reduction in the difference in prices between petrol and diesel, restraint from imposing additional excise duty on diesel cars, reduction in the rate of interest on car loans, infrastructure build up in Tier 2 and Tier 3 cities, reduction of taxes on fuels to make them affordable and to encourage and provide incentives for using alternative fuels.

# Management Discussion and Analysis Report contd...

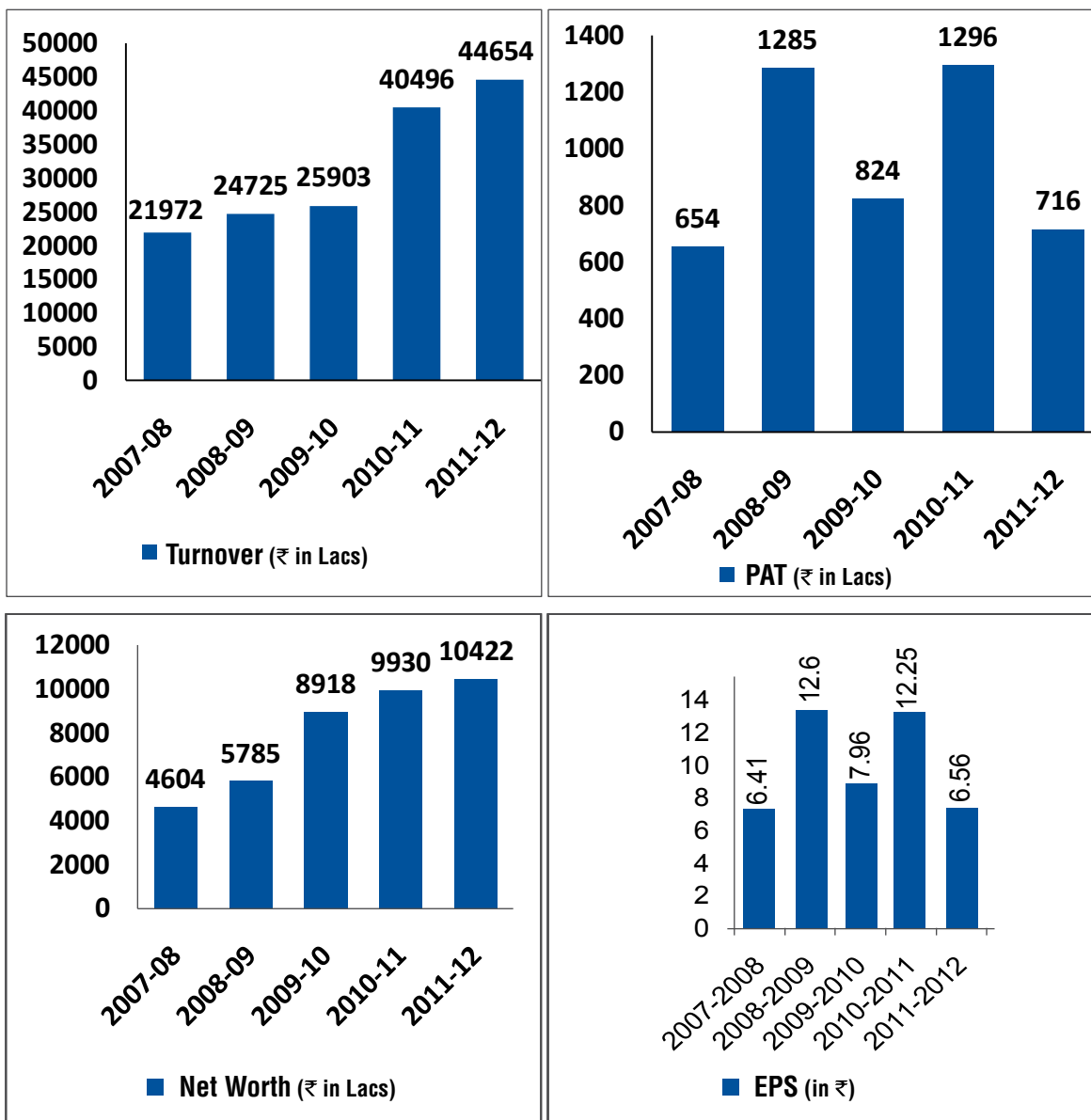
## Business Performance

### Financial/ Operational Performance & Analysis (Consolidated)

The highlights of your Company's performance in the current fiscal year are hereunder:

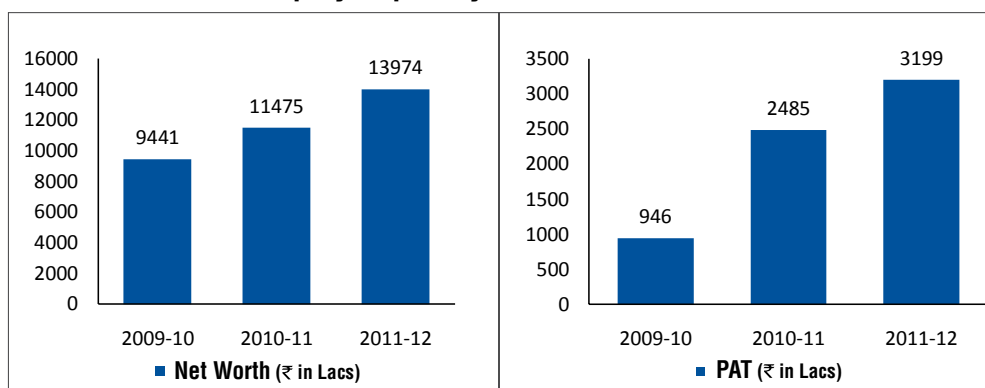
- Gross Sales has increased to ₹ 108233.36 Lacs in 2011-2012 from ₹ 82049.41 Lacs in 2010-2011, an increase of 31.91 %.
- PAT has increased to ₹ 3199.13 Lacs in 2011-2012 from ₹ 2484.87 Lacs in 2010-11 an increase of 28.74 %;
- Net worth of the Company as on March 31st, 2012 is ₹ 13973.95 Lacs as compared to ₹ 11474.67 Lacs, an increase of 21.78 %.
- Book value per share has increased to ₹ 137.02 against ₹ 112.51 in previous year.

### Standalone Performance of Your Company for past 5 years.



## Management Discussion and Analysis Report contd...

### Consolidated Performance of Your Company for past 3 years.



### Segment wise/ Product wise performance

The segment wise performance of the Company during 2011-12 is as follows:

(₹ in Lacs)

Particulars	Sheet Metal Division		Tool Room Division		SPV Division	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Gross sale	37717.18	34,038.90	6709.12	5,543.93	227.33	912.78
Gross Profit / (loss) before unallowable expenditures & interest	2974.50	2,630.33	931.24	1,009.49	(47.64)	(84.81)

### Opportunities & Threats

#### Challenge that Indian Automobile Industry has to address:

- Scale up Capacities & Absorbing newer technologies
- Cost competitiveness
- Infrastructure development
- Productivity improvement of both labour and capital
- Availability of cost effective capital
- Favourable and predictable business environment
- Availability of raw material, commensurate with growth
- Availability of auto grade technically advanced material

#### Positive points for Indian Automobile Industry

- Huge Investments in process by almost every major car maker.
- Presence of almost all major automakers in India shows interest & commitment towards market
- Luxury Car market growing by unimaginable 50% growth showing willingness to spend
- Growth in Income amongst the citizens and their capability to spend
- Willingness to accept newer models against earlier philosophy
- With just 2.5 million passenger car sales in a year, there lies huge untapped potential.

#### India is fast becoming a favoured investment destination for it's:

- Large & growing domestic demand
- Product Development
- Availability of skilled manpower



## Management Discussion and Analysis Report contd...

- High Quality Standards
- Export Capabilities
- Conversant with Global Automotive Standards
- Respect for Intellectual Property
- Growing IT capabilities
- Strong Entrepreneurship
- Flexibility in Small Batch production

### Risks & Concerns

The fostering of a healthy national automotive industry requires government policies at both the macroeconomic as well as microeconomic levels which promote the development of automotive production and sales.

The industry is dependent on various factors and your management perceives the following risk and concern for its business:

- Increase in Raw Material cost especially steel has made product costly.
- Increase in petroleum prices has reduced the Purchasing Power Capacity of customer which has resulted into decrease in sales quantity of automobiles.
- Increase in petroleum prices has also reduced maintenance capacity
- Increase in interest rate by banks is also one of the hindrance

### Macroeconomic policies affecting the auto industry

In most countries, the level of automotive production is closely correlated to domestic or regional automotive sales and production is closely related to disposable income levels, interest rates, and finance availability and consumer confidence. Therefore, national macroeconomic and monetary policies which produce stability and consistency in GDP per capita growth are generally very significant factors affecting the level of automotive sales and production.

The macroeconomic factors which encourage automotive production and sales are as follows:

- Stable national economic performance;
- Consistent national economic and regulatory policies;
- Transparent economic and regulatory policies;
- Commitment by the government to the auto sector;
- Monetary policies which promote low interest rates;
- Stability in exchange rate;
- Improvement of automobile infrastructure;
- Low to moderate inflation.

### Microeconomic policies affecting the auto industry

While governments have a leading role in creating a positive macroeconomic environment for the automotive sector, the economies which have been most successful in building and maintaining a healthy auto industry are those in which governments have decreased their involvement at the microeconomic level and allowed market principles to operate.

- Open trade and investment environment to foster economically rational decisions based on market principles, rather than government policies;
- Consistency, transparency and non-discrimination in automotive policies;
- Harmonization & Modernization of Custom Procedures;
- Harmonization of automotive safety and emissions standards and certifications;

## Management Discussion and Analysis Report contd...

- Regional integration to achieve economies of scale;
- Reducing distortion impact of duty and commodity tax policies;
- Tax policies which encourage consumption rather than penalize purchase;
- Ease and availability of Consumer and investment financing.

### Internal Control Systems and their Adequacy

The company has adequate internal control systems for assessment and eliminating various kinds of risks which include strategic, operational, financial, environmental and reputation risk. Such risks are reviewed at various meetings like internal audit committee meetings, Business review meetings where members of senior management are involved. The Board also reviews such risks procedures periodically.

The Company carries out exercises across all the location of the Company aimed at promoting effectiveness & efficiency of operations while emphasizing compliance to policies, applicable laws & regulations to achieve business objectives including performance and profitability goals and safeguarding of resources. This ensures the control and safeguarding of the Company's assets against loss through inefficiency, waste, negligence or fraud. The Company is well structured and policy guidelines are well documented with pre-defined authority.

The Audit Committee of the Company is reviewing the internal controls including the internal audit reports, financial result of the Company at least once in every three months and provides its support to all operational and finance functions of the Company through regular monitoring and suggestions. The company has exhaustive budgetary control system. Actual performance is reviewed with reference to budget by the Management review team on a monthly basis.

### Human Resources

The Company's HR process ensure the availability of a competent and motivated team of employees. The Company continuously endeavors to provide a fair compensation amongst industry of like nature, a clear career path, reward for performance and regular training and development for each level of employee.

Their competency and trained workforce is the key reason for growth of the company. To enhance the productivity, company has developed their people by providing innovative and professional environment. It has an efficient recruitment policy and human resource management processes, which enables to attract and retain competent & talented employees. When we hire people, we look for positive attitude and exemplary behaviour so that they can imbibe our value system.

To keep ourselves abreast with time and technology, we regularly assess the competencies important for the development of our business and arrange for appropriate training and development programmes to cater different learning needs of our employees in the areas of technology, management, leadership, cultural and other soft skills.

We are a learning organization. We have an environment, which helps to leverage the knowledge of every employee.

Being at JBM Group is packed with challenges, learning and events. We observe special weeks e.g. Safety, Quality, 5-S week and Kaizen week. Apart from these formal weeks, we have various celebrations as Environment Day, Annual day, Health and Yoga Classes to name a few. These help the employees to pursue their interest and have balance between work life and personal life. JBM's premise is full of energy, vitality, enthusiasm and passion.

The Company had 573 permanent employees as on 31st March 2012. The industrial relations remained peaceful and cordial throughout the year.

### Cautionary Statement:

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

# Report on Corporate Governance

## 1. Company's Philosophy

The Company's philosophy of corporate governance is based on integrity, respect for the laws & compliance thereof and transparency & accountability in all facets of its operation. The Company believes that good governance bring sustained corporate growth and facilitates effective management and control of business, maintaining the high level of business ethics and optimizing the value for all its stakeholders.

## 2. Board of Directors

The Board of Directors of the Company consists of 5 (five) directors, one executive and Four non-executive directors. The Board comprises three promoter directors (including one director considered as promoter director being executive director) and two non-promoter/ independent directors who do not have any material pecuniary relationship or transaction with the company, its promoters, its directors and its senior management, which may affect their independence. The Board has a non-executive chairman. The company is in the process of appointing one more independent director on the board.

The Executive Director looks after the day-to-day management of the Company, subject to the supervision and control of Board of Directors. The non -executive directors have the understanding of profession/company's business/finance etc.

During the financial year 2011-12, four board meetings were held on 30th May 2011, 10th August 2011, 14th November, 2011, and 14th February 2012.

The details of Directors as on 31st March 2012 is as follows:

Name of Directors	Category of Directorship	Promoter / Independent Director	Directorship in other Public Companies (Nos.) *	Committees**		Attendance at Board Meetings		Attendance at last Annual General Meeting
				Member (No.)	Chairman (No.)	No. of Meetings held	No. of Meetings attended	
Mr. S. K. Arya	Non-executive Chairman	Promoter	12	4	1	4	4	Yes
Mr. Ashok Kumar Agarwal	Non-executive Director	Independent	5	2	1	4	-	Yes
Mr. M.K. Aggarwal	Non-executive Director	Independent	1	1	-	4	3	Yes
Mr. H.R. Saini	Executive Director	Promoter	3	1	-	4	4	Yes
Mr. Nishant Arya	Non-executive Director	Promoter	5	1	-	4	3	No

\* Excludes directorship of private limited companies, alternate directorship including JBM Auto Ltd.

\*\* Committee means Audit Committee, Shareholders/Investors Grievance Committee and including position in JBM Auto Limited.

None of directors of the Company was holding directorship in more than 15 public limited companies or was member in more than 10 committees or acted as chairman of more than 5 committees across all companies in which they were Directors (committee here means Audit Committee and Shareholders/Investors Grievance Committee).

## Board / Committee Procedure

The Board of Directors/Committee Members are provided detailed agenda/documents and other required information (viz. operating plans/budgets and their updates, if any, results, minutes, information on important litigations, legal compliances, project status and their updates, if any, etc.), in advance for deliberation at the respective meeting.

## 3. Audit Committee

The Committee consists of the following Members:

- Mr. Ashok Kumar Agarwal, Chairman
- Mr. M. K. Aggarwal, Member
- Mr. S. K. Arya, Member

## Report on Corporate Governance Contd...

All members of the Committee have requisite financial and management expertise/knowledge and have rich experience of the industry.

The Audit Committee meetings were attended by Mr. S. K. Arya and Mr. M.K. Aggarwal, out of them one director was independent director.

The Chairman of the Committee was present at the last Annual General Meeting of the Company.

The Committee's terms of reference are in consistent with the SEBI Corporate Governance Code and of the Companies Act 1956. Generally the Committee oversees the financial reporting process, recommendation of appointment/ removal/fee etc. of external auditors, review of the adequacy of Internal Control System for financial reporting, review of quarterly/half-yearly/ annual financial statements before submission to Board, discussion with external auditors, substantial default in payment to shareholders and creditors, if any etc.

Chief Financial Officer & Company Secretary of the Company acts as secretary of the committee. The Representative of the Statutory Auditors is permanent invitee of the Audit Committee meetings.

During the financial year 2011-12, four Committee meetings were held on 30th May 2011, 10th August 2011, 14th Nov 2011, and 14th February 2012. Details of attendance are as under:

S.NO.	Name of Director	No. of meetings held during the year	No. of meetings attended
1.	Mr. Ashok Kumar Agarwal	4	-
2.	Mr. M.K. Aggarwal	4	3
3.	Mr. S. K. Arya	4	4

### 4. Remuneration Committee

The Committee consists of the following Members:

- Mr. M. K. Aggarwal, Chairman
- Mr. Ashok Kumar Agarwal, Member
- Mr. S.K. Arya, Member

Remuneration payable to the Executive Director of the Company is being considered/ discussed/ finalized after considering various factors such as financial position of the Company, trend in industry, appointee's qualification and past remuneration etc., which is onward submitted to Board for respective approval(s).

Non- executive directors of the company do not have any pecuniary relationship or transaction with the company. They do not draw any remuneration, except sitting fees for attending meetings of Board/ Committee.

During the financial year 2011-12, no Meeting of the Remuneration Committee was held.

The details of remuneration paid to the Executive Directors and sitting fees paid to other non-executive directors during the financial year 2011-12 are as under: - (₹ in Lacs)

Remuneration paid to Executive Director		Sitting Fee paid to Directors			
Particulars	Mr. H.R. Saini	Name of Director	Board Meeting	Committee Meeting	Total
Salary and other Perquisites/ Allowances	23.43	Mr. S.K.Arya	0.20	0.20	0.40
		Mr. Ashok Kr. Agarwal	-	-	-
Contribution to Provident and other Funds	1.80	Mr. M.K. Aggarwal	0.20	0.20	0.40
		Mr. Nishant Arya	0.15	-	0.15
Total	25.23		0.55	0.40	0.95

## Report on Corporate Governance Contd...

### 5. Subsidiaries

The Audit Committee of the company reviews the financial statements of the subsidiary companies.

The Minutes of Board Meetings of subsidiary companies are placed before the Audit Committee and Board of the company reviewed in detail.

### 6. Shareholders/Investors' Grievance Committee

The Committee consists of the following Members:

- Mr. S.K. Arya, Chairman
- Mr. Ashok Kumar Agarwal, Member
- Mr. H.R. Saini, Member

Mr. N.K. Goel, Chief Financial Officer & Company Secretary of the Company is secretary of the Committee and also compliance officer of the Company.

The Committee deals with transfer, transmission, duplicate issue, rematerialization of shares, Shareholders Grievance and other related matters.

The Committee meets on need basis for above issues. The details of correspondence of Shareholders/ SEBI/ Stock Exchange or any other authority is provided to committee.

The Company has obtained following Certificates from Practicing Company Secretary:

- Certificate for compliance of share transfer formalities by the Company pursuant to Clause 47(c) of the Listing Agreement on half yearly basis.
- Secretarial Audit Certificate for reconciliation of share capital of the company pursuant to SEBI's circular on quarterly basis.

The dividend request/dividend revalidation, demat/remat, non receipt of Annual Reports and other requests of shareholders are generally processed on weekly basis or at an earlier date on need basis.

The Company has no pending complaints/transfers of shares, excluding cases under objections.

### Share holding of Directors

Name	Mr. S. K. Arya	Mr. Ashok Kr. Agarwal	Mr. M.K. Aggarwal	Mr. H.R. Saini	Mr. Nishant Arya
No of Shares held	101749	-	-	1593	84850

### 7. Annual General Meeting (AGM)

Details of location of the last three Annual General Meetings (AGM);

AGM for the financial year	Date & Time of AGM	Venue
2010 – 2011	15th September, 2011 at 12.30 P.M	M.P.C.U. Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054
2009 – 2010	20th September, 2010 at 12.30 P.M	M.P.C.U. Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054
2008 – 2009	4th September, 2009 at 11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi - 110003

- No resolution was either required or passed through postal ballot in last three years.
- No resolution is proposed through postal ballot in this year.
- Special resolution is passed in last three years are as under:

## Report on Corporate Governance Contd...

- 2010-2011** Pursuant to section 372 A of the companies Act, 1956, Investment of the company's funds by acquiring Equity Shares by subscription, purchase or otherwise in JBM Ogihara Automotive India Limited (JOAI) upto ₹ 20 Crores (Excluding stamp Duty).
- 2009-2010** Pursuant to section 372 A of the Companies Act, 1956, Investment of the company's funds by acquiring Equity Shares by subscription, purchase or otherwise in Yorozu Corporation upto ₹ 5 Crores (Excluding stamp Duty).
- 2008-2009** Pursuant to section 372 A of the Companies Act, 1956, Investment of the company's funds by acquiring Equity Shares by subscription, purchase or otherwise in JBM Ogihara Automotive India Limited (JOAI) upto ₹ 10 Crores (Excluding stamp Duty).

### 8. Disclosures

- During 2011-2012, other than the transactions entered into in the normal business course and reported as the related party transactions in the annual accounts, the Company had no materially significant related party transactions with its promoters/director/senior management or relatives etc., which could have a potential conflict with the interest of Company at large.
- The Audit Committee is briefed all related party transaction undertaken by the Company.
- The Senior Management has made a disclosure to Board that they did not have personal interest in any material, financial and commercial transactions that could result in conflict with the interest of Company at large.
- In the preparation of financial statements for the year 2011-12, the Company has followed Accounting Standards as notified under Companies (Accounting Standard) Rules, 2006 and treatment prescribed therein.
- The Company has a Code of Conduct for its Board and Senior Management (as per Corporate Governance Code) and the same is available at the Company's website. The Company has obtained a compliance certificate from all concerned.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.
- The Company does not have a formal Whistle Blower Policy.
- The Company is complying with mandatory requirements and partly complies with non-mandatory requirements such as:
  - re-imburement of expenses to non-executive chairman;
  - remuneration Committee of independent & non- executive directors;
  - though half yearly results with summary of significant events in last six-months are not sent to each household of shareholders, however the quarterly results are posted on the websites of Company, Stock Exchanges and are also published in the Newspapers.
  - the financial statements of the Company are without qualification except in case of consolidated accounts with subsidiaries and joint ventures.

### 9. Means of Communication

The Company publishes unaudited quarterly / half yearly financial results reviewed by auditor and audited annual financial results in newspapers. The said results are also informed to Stock Exchanges where shares of the company are listed. The quarterly & half yearly results are not being sent separately to each of the shareholders. The results are usually published in The Economic Times, Financial Express (English Edition) and The Economics Times & Jansatta (Hindi Edition).

### 10. Management Discussion & Analysis

Management Discussion & Analysis has been given separately in the Annual Report.

## Report on Corporate Governance Contd...

### 11. General Shareholders' Information

#### Date & Venue of AGM (Tentative)

Day, Date & Time	:	Wednesday, 26th September, 2012 at 5:00 pm
Venue	:	M.P.C.U. Shah Auditorium Shree Delhi Gujrat Samaj Marg, Civil Lines, New Delhi - 110054
Date of Book Closure	:	Monday 17th September 2012 to Wednesday 26th September 2012 (both days inclusive)

#### Financial calendar (tentative and subject to change)

Financial Year	:	1st April to 31st March
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#### Financial reporting for the:

1st Quarter	:	July/ August
2nd Quarter	:	October / November
3rd Quarter	:	January/ February
Annual Results	:	April / May

#### • Listing on Stock Exchange

Presently shares of your Company are listed at:

Bombay Stock Exchange Limited	The National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Tel No. 022 - 22721233-34 Fax 022-22722061/ 41/39/37 Security Code: 532605	Exchange Plaza, Plot No.- C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-51, Tel No. 022- 26598235/36 (NSE) Fax 022- 26598237/ 66418125/ 126 Security Code: JBMA
ISIN NO. for NSDL & CDSL : INE 927D 01010	

The listing fees have already been paid to BSE and NSE and annual custodian fees has been paid to NSDL and CDSL for the financial year 2012-13.

#### • Stock Market Data

Share Price Movement:

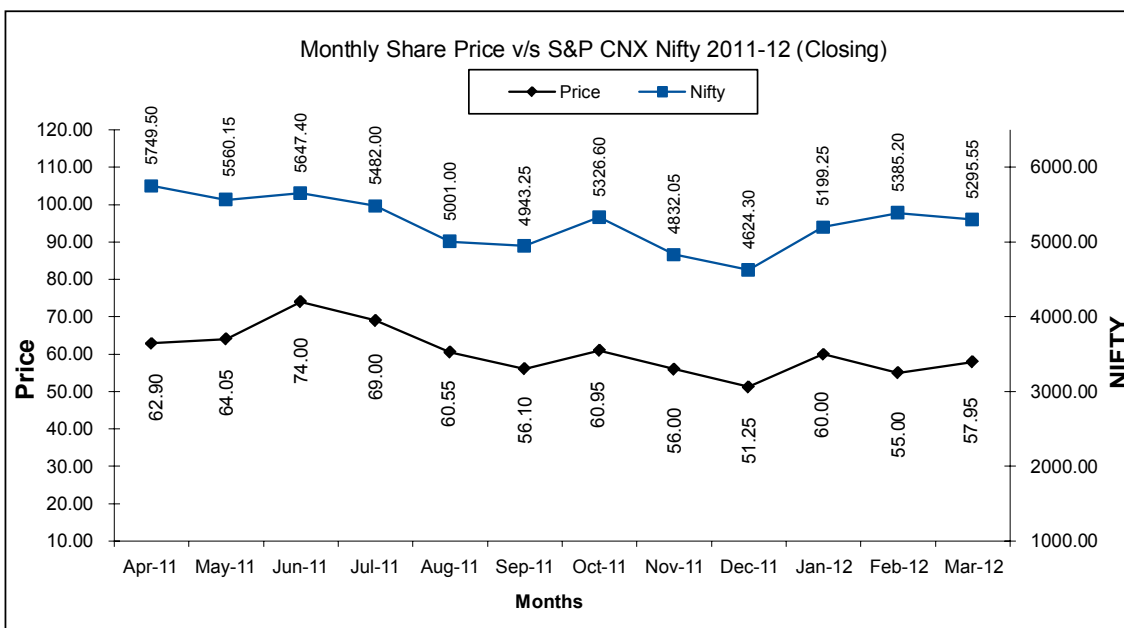
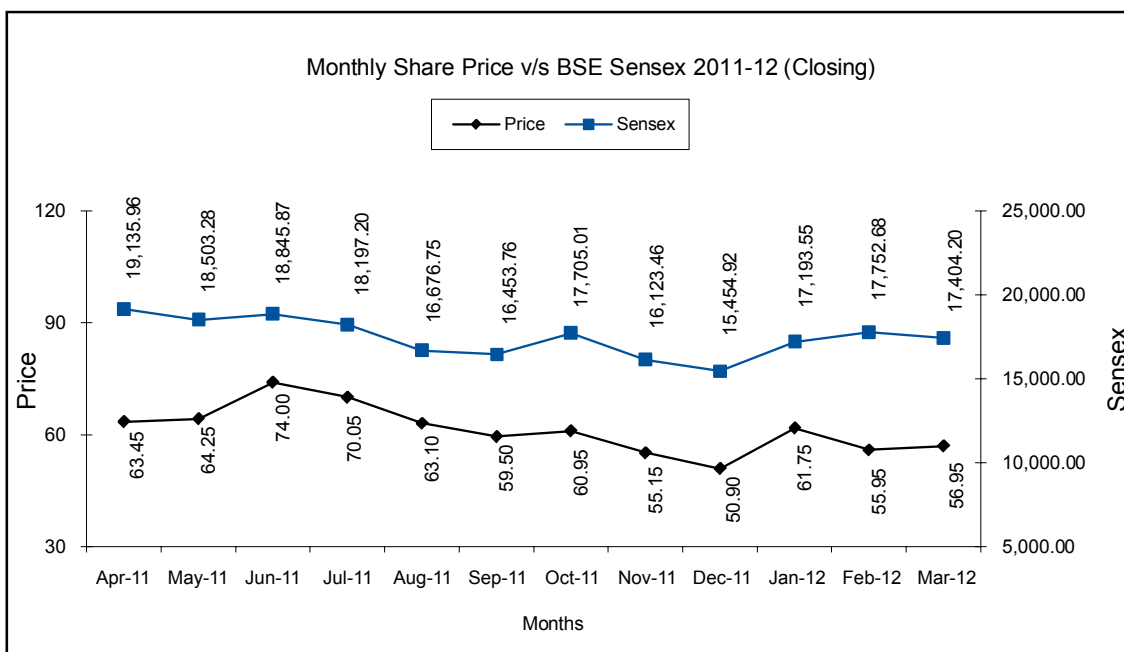
The monthly High/Low Prices and Volume during the financial year 2011-12 is as follows:-

Month	Bombay Stock Exchange Limited			The National Stock Exchange of India Ltd.		
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
APR-2011	68.95	58.35	26759	68.85	58.15	17216
MAY-2011	70.00	56.60	25636	69.20	57.05	34461
JUN-2011	76.00	65.10	99898	77.00	64.20	80263
JUL-2011	75.90	67.55	13157	74.75	67.20	3193
AUG-2011	70.10	57.00	24164	70.00	58.00	6111
SEP-2011	67.50	56.00	14881	66.55	55.55	6249
OCT-2011	66.40	58.50	32101	65.95	57.50	15638
NOV-2011	65.10	51.30	20561	65.00	51.80	9966

## Report on Corporate Governance Contd...

DEC-2011	59.95	46.15	5804	59.00	46.00	6070
JAN-2012	67.30	47.60	26459	67.00	52.00	27302
FEB-2012	69.90	52.60	23729	63.90	52.60	12303
MAR-2012	60.50	47.70	12733	60.00	48.00	9397
Total			325882			228169
Volume as % of capital			58.82%			41.18%

Performance in comparison to Broad indices: A comparison of monthly closing share price at BSE and NSE with monthly closing BSE Sensex & NSE S & P Nifty is as follows





## Report on Corporate Governance Contd...

### • Distribution of Shareholding as on 31st March 2012:

No. of equity shares held	Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
1 - 500	6258	94.77%	399725	3.92%
501 - 1000	177	2.68%	137984	1.35%
1001 - 2000	72	1.09%	110378	1.08%
2001 - 3000	33	0.50%	86758	0.85%
3001 - 4000	15	0.23%	54177	0.53%
4001 - 5000	9	0.14%	41751	0.41%
5001 - 10000	7	0.11%	47710	0.47%
10001 - 50000	14	0.21%	293191	2.87%
50001 - 100000	6	0.09%	449894	4.41%
100000 and Above	12	0.18%	8577273	84.10%
<b>Total</b>	<b>6603</b>	<b>100.00</b>	<b>10198841</b>	<b>100.00</b>

### Category of Shareholders holding shares in a company as on 31st March, 2012

Category	No. of Shareholders	Percentage	Shares Held	Percentage
Physical	2264	34.29%	91544	0.90%
NSDL	2955	44.75%	2356471	23.10%
CDSL	1384	20.96%	7750826	76.00%
<b>Total</b>	<b>6603</b>	<b>100.00%</b>	<b>10198841</b>	<b>100.00%</b>

### Valuation of Shares: The closing price of the Company's share as at 31st March, 2012 at:

Name of the stock exchange	Share price (Closing)
The Bombay Stock Exchange Limited	59.95
The National Stock Exchange Association Ltd.	57.95

**Market Capitalization:** Based on the closing quotation of Rs.57.95 as at March 31, 2012 at NSE, market capitalization of the Company works out to be ₹ 5910 lacs.

### • Shareholding Pattern as on 31st March 2012:

No. of Equity Shares held	Shares held (Nos)	Voting Strength (%)
Promoters including persons acting in concert	6322586	62.00
Mutual Funds and UTI	300	0.00
Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	249987	2.45
FII's	120	0.00
Private Corporate Bodies	2431504	23.84
Indian Public	1158348	11.36
NRI's/OCBs	35996	0.35
<b>Total</b>	<b>10198841</b>	<b>100.00</b>

## Report on Corporate Governance Contd...

### 12. Outstanding ADR/GDR/Warrants or any convertible instruments

As on 31st March 2012, the Company has no outstanding GDR/ADR/Warrants/or any other convertible instruments

#### Addresses:

Investors/ shareholders correspondence may be addressed either to the Company at its registered office or to its share transfer agent at the following respective address(s) :

**Mr. N.K. Goel**  
**Chief Financial Officer**  
**& Company Secretary**  
**JBM Auto Limited**

610, Hemkunt Chamber 89,  
Nehru Place,  
New Delhi - 110 019  
Tel.: 011-26427101-06  
Fax: 011-26511512  
E-mail : nkgoel@jbm.co.in

**MCS Limited**  
**(Unit: JBM Auto Ltd.)**

F – 65, 1st Floor,  
Okhla Industrial Area, Phase-I  
New Delhi - 110020  
Tel No. 011-41406149  
Fax No. 011-41709881  
E-mail : mcsdel@vsnl.com

Pursuant to SEBI Circular, the Company has created an email ID exclusively for redressal of investor's grievances. The investors can post their grievance to the specific email ID i.e jbmainvestor@jbm.co.in

### 13. Corporate Governance Certificate

The Auditor's certificate on corporate governance is attached.

**Note:** *The details are given purely by way of information, Members may make their own judgment and are further advised to seek independent guidance before deciding on any matter based on the information given therein. Neither the Company nor its officials would be held responsible.*

## **Declaration Under Clause 49 I (D) Of The Listing Agreement Regarding Adherence To The Code Of Conduct**

To the best of my knowledge and belief and information available with me, I hereby declare that all Board Member and Senior Management Personnel of M/s JBM Auto Limited have complied with Code of Conduct during the financial year 2011-12 (as applicable on them)

Date : 28th May 2012  
Place : New Delhi

**H.R. Saini**  
Executive Director

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## **Auditor's Certificate On Corporate Governance**

We have examined the compliance of conditions of Corporate Governance by JBM Auto limited for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For Mehra Goel & Co.**  
Chartered Accountants

Place : New Delhi  
Date : 28th May 2012

**R.K. Mehra**  
Partner  
**M.No. 6102**

## CEO and CFO Certification

28th May, 2012

The Board of Directors  
JBM Auto Limited,  
610, Hemkunt Chambers,  
89, Nehru Place,  
New Delhi – 110019

### Sub: Annual Certificate of Compliance for the FY 2011-12

Sir,

We, H.R. Saini, Executive Director and N.K. Goel, CFO & Company Secretary of the Company hereby states that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2012 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 statement that might be misleading
  - ii. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct
- c. We accept responsibility of establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiency in the design or operations of such internal control, if any, of which we are aware and the steps we have taken to take to rectify these deficiencies
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in such internal control during the year, if any;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any;
  - iii. 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 for financial reporting.

Thanking you

**H.R. Saini**  
Executive Director

**N.K. Goel**  
CFO & Company Secretary

## Auditor's Report

### To the Members of JBM Auto Limited

We have audited the attached Balance Sheet of JBM Auto Limited as at March 31, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:-

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we report that in our opinion:-
  - (i) a) Proper records for fixed assets showing full particulars including quantitative details and situation have been maintained. Physical verification of fixed assets has been carried out by the management during the year which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
    - b) No substantial parts of fixed assets have been disposed off during the year, which have affected the going concern.
  - (ii) a) 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 and stocks-in-transit as on March 31, 2012 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. The Company is maintaining proper records of inventory.
    - c) 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) a) The company has not granted any loans, secured or unsecured to companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956.
    - b) The Company has not taken any secured loans from Companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of unsecured loans taken from two parties covered in the register maintained under section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of loans are prima facie not prejudicial to the interest of the Company. The maximum amount outstanding at any time during the year is ₹ 1380 lacs and year end balance ₹ 1370 lacs. The principal and interest amount is repayable on demand.
  - (iv) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems.
  - (v) a) In our opinion the particulars of contracts or arrangement referred to in Section 301 of the Act have been entered into the register maintained under section 301 of the Companies Act, 1956.
    - b) The transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard that in respect of certain items alternative sources are limited and others are made with reference to price list, quality, delivery schedules and prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.

## Auditor's Report contd...

- (vi) The Company has not accepted any deposits during the year covered by Section 58A and section 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) The Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, have been maintained in respect of a division to which it is applicable. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. However, some delays are noticed in deposit of Tax Deducted at Source and payment of advance tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31-03-2012 for a period of more than six months from the date they become payable.
- (c) There are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except certain demand under Central Excise Act appealed by Company as under: -

Name of the Act	Demand Pertains of the Year	Appeal Pending Before	Amount (₹ in Lacs) *	Nature of Demand
Central Excise Act, 1944	Various years from 1995 to 2001	CESTAT, Delhi	157.04	Excise duty & Penalty
Central Excise Act, 1944	Various years from 2007-08 to 2009-10	CESTAT, Delhi	288.90	Excise Duty & Penalty
Service Tax (Finance Act, 1994)	2003-04	CESTAT, Delhi	4.55	Service Tax & Penalty
		<b>Total</b>	<b>450.49</b>	

\* Net of amount paid

- (x) The Company has no brought forward losses and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debenture.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities and debentures.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) According to the Cash Flow Statement and overall examination of Balance Sheet of the Company, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures during the financial year covered by our audit report.
- (xx) The Company has not raised money by public issue during the financial year covered by our audit report.

## Auditor's Report Contd...

- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
2. We further report that: -
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- (ii) In our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (iii) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes and the accounting policies thereon give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India: -
- a) in case of Balance Sheet, of the state of the Company Affairs as at March 31, 2012;
- b) in case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Mehra Goel & Co.**  
**Chartered Accountants**

**R.K. Mehra**  
Partner  
M.No. 6102  
FRN.000517N

Place: New Delhi  
Dated: 28th May, 2012

# Balance Sheet as at 31st March, 2012

₹ in Lacs

		NOTE NO.	As at 31 March, 2012	As at 31 March, 2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	2 & 25	1519.88	1519.88
	(b) Reserves and Surplus	3	9401.66	8910.00
			10921.54	10429.88
<b>(2)</b>	<b>Non-Current Liabilities</b>			
	(a) Long term borrowings	4	8932.31	7516.57
	(b) Deferred Tax Liability	5	1383.33	1258.37
			10315.64	8774.94
<b>(3)</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	6	9671.76	11807.05
	(b) Trade payables	7	5330.48	5551.82
	(c) Other current liabilities	8	6567.43	5125.93
	(d) Short-term provisions	9	297.51	339.89
			21867.19	22824.70
	<b>TOTAL</b>		<b>43104.37</b>	<b>42029.52</b>
<b>II.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10	13188.44	12209.49
	(ii) Intangible Assets	10	134.13	151.95
	(iii) Capital Work in Progress		1036.32	847.77
	(b) Non-current investments	11	7132.78	6908.38
	(c) Long term loans and advances	12	200.59	772.41
	(d) Other non-current assets	13	1596.16	1825.64
			23288.42	22715.64
<b>(2)</b>	<b>Current assets</b>			
	(a) Inventories	14	6329.12	6340.05
	(b) Trade receivables	15	10766.07	10535.16
	(c) Cash and Bank Balances	16	455.58	216.89
	(d) Other current assets	17	2265.18	2221.78
			19815.95	19313.88
	<b>TOTAL</b>		<b>43104.37</b>	<b>42029.52</b>

Significant Accounting Policies

1

As per our report attached

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

**R.K. Mehra**  
Partner  
M.No. 6102

**S.K. Arya**  
Chairman

**M. K. Aggarwal**  
Director

Place : New Delhi  
Dated : 28th May, 2012

**Nishant Arya**  
Director

**N. K. Goel**  
Chief Financial Officer & Company Secretary



# Statement of Profit and Loss for the year ended 31st March, 2012

₹ in Lacs

	NOTE NO.	Year Ended 31 March, 2012	Year Ended 31 March, 2011
<b>I. Revenue from Operations</b>			
Gross Revenue from Operations	18	44653.63	40580.76
Less : Excise duty/Service tax		5066.54	4096.20
Net Revenue from Operations		39587.09	36484.57
<b>II. Other Income</b>	19	142.43	40.58
<b>III. Total Revenue (I+II)</b>		39729.52	36525.14
<b>IV. Expenses</b>			
Cost of materials consumed		27337.09	24919.50
Changes in inventories of finished goods, work in progress	20	(72.88)	419.95
Employee benefits expense	21	3007.15	2369.78
Finance cost	22	2477.90	1337.45
Depreciation and amortization expense	10	1132.57	817.76
Other expenses	23	4704.88	4789.17
<b>Total Expenses</b>		38586.71	34653.62
<b>V. Profit before tax (III-IV)</b>		1142.81	1871.53
<b>VI. Less: Tax Expense</b>			
- Earlier years		41.40	1.10
- Current year		260.51	493.75
- Deferred tax		124.96	81.02
		426.87	575.88
<b>VII. Profit after tax (V - VI)</b>		715.95	1295.65
<b>Basic and Diluted earning Per Share (₹)</b>	<b>24</b>	6.56	12.25
<b>Nominal value of Equity Share (₹)</b>		10.00	10.00

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

**R.K. Mehra**  
Partner  
M.No. 6102

Place : New Delhi  
Dated : 28th May, 2012

**S.K. Arya**  
Chairman

**Nishant Arya**  
Director

**M. K. Aggarwal**  
Director

**N. K. Goel**  
Chief Financial Officer & Company Secretary

# Cash Flow Statement For The Year 2011-12

₹ in Lacs

		March, 2012	March, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before tax and extraordinary items		1142.81	1871.53
Adjustment for :			
Depreciation	1132.57		817.76
Finance Cost	2314.48		1266.26
Unrealised Exchange loss/(Gain) (Net)	89.10		(74.70)
Interest income	(11.03)		(3.61)
Loss on sale of assets (Net)	1.18		28.86
Bad Debts/Provision for Doubtful Debts	9.11		13.43
		3535.41	2048.00
<b>Operating Profit before Working Capital Changes</b>		4678.23	3919.53
Adjustment for :			
Trade and other receivables	559.78		(3410.71)
Inventories	9.42		(142.51)
Trade and other liabilities	(300.37)	268.83	1857.10
<b>Cash Generated From Operations</b>		4947.06	2223.41
Direct taxes paid (Net)	(337.51)	(337.51)	(645.39)
<b>Net Cash From Operating Activities</b>		4609.55	1578.02
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of fixed assets/CWIP	(2913.86)		(4325.57)
Proceeds from sale of fixed assets	769.63		57.01
Interest received	11.03		3.61
Purchase of Investment	(224.40)		(285.15)
<b>Net Cash used in Investing Activities</b>		(2357.60)	(4550.10)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term loans	(258.51)		(1082.01)
(Increase)/Decrease in Foreign Currency Monetary item translation difference a/c	0.00		10.25
Proceeds from long term loans	2854.76		1449.29
Increase/(Decrease) in Short Term Loans	(2135.29)		4535.31
Interest paid	(2190.66)		(1588.63)
Dividend Paid	(283.56)		(191.29)
<b>Net cash flow from financing activities</b>		(2013.26)	3132.91
<b>Net Increase in Cash and Bank balance</b>		238.69	160.83
Cash and cash equivalents (Opening Balance)		216.89	56.06
Cash and cash equivalents (Closing Balance )		455.58	216.89

**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 and ₹ 4.43 Lacs (Previous Year ₹ 3.65 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Figures in bracket represents cash outflow

As per our report attached

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

**R.K. Mehra**  
Partner  
M.No. 6102

**S.K. Arya**  
Chairman

**M. K. Aggarwal**  
Director

Place : New Delhi  
Dated : 28th May, 2012

**Nishant Arya**  
Director

**N. K. Goel**  
Chief Financial Officer & Company Secretary

# Notes Forming Part of Financial Statements

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

### a) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance to the requirements of the Companies Act 1956, applicable Accounting Standards and the requirements of Part-I & II of Schedule-VI (revised).

### b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company except for defined benefit pension/other funds obligations that have been measured at fair value. The carrying value of certain monetary items denominated in foreign currency is translated at the exchange rates applicable on the date of Balance Sheet.

### c) 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.

### d) 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 dividend is established. Interest and Royalty income are recognized on accrual basis in the Statement of Profit and Loss.

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

### e) EXTRA-ORDINARY ITEMS

Extraordinary items are those income or expense that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise, and, therefore, are not expected to recur frequently or regularly.

### f) EXCEPTIONAL ITEMS

Exceptional items are those items of income or expense arising from ordinary activities, are of such size, nature or incidence that requires separate disclosure to explain the performance of the enterprise.

### g) FIXED ASSETS

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat/ cenvat, less accumulated depreciation and include 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.

### h) ASSETS IN THE COURSE CONSTRUCTION

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at enterprises 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.

## Notes Forming Part of Financial Statements

### i) 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/ product development relating to process design/plants/facilities are capitalized at the time of capitalization of the said plants/ facilities and amortized over a period of three years.

### j) 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 carrying value over the recoverable amount of the asset is charged, as an impairment loss to the Statement of Profit & Loss.

### k) DEPRECIATION

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 except in case of pallets on which depreciation is provided @ 12.5% p.a., as per management's estimate. Leasehold land, for a period less than 90 years, is amortized over the remaining period of lease from the date of commissioning of plant. Depreciation is charged on pro-rata basis for assets purchased/sold during the year. Individual assets costing ₹ 5000/- or less are depreciated in full, in the year of purchase. Depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets.

### l) INVENTORIES

Inventories are valued at lower of Cost and Net Realizable Value. The cost is determined on the following basis:

Raw material is recorded at cost on a First In First Out (FIFO) method.

Finished Goods and Work in Process valued at raw material cost plus cost of conversion and other costs incurred in bringing the inventory to its present location and condition. By Product and Scrap are valued at net realizable value.

### m) INVESTMENTS

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.

### n) 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 exchange rate applicable as on that date. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference on forward exchange contract and on settlement or on translation is recognized in the Statement of Profit and Loss, except in the following cases:-

- i) Exchange differences relating to long term monetary items attributable to depreciable fixed assets are capitalized and
- ii) Exchange differences relating to long term monetary item not attributable to depreciable fixed assets are transferred to "Foreign Currency Monetary Item Translation Difference Account" and amortised over its tenor till maturity.

### o) BORROWING COST

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustments to interest cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the

## Notes Forming Part of Financial Statements

cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### **p) EMPLOYEE'S BENEFITS**

- i. Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- ii. The Company has defined contribution plans for post retirement benefits, namely, Employees Provident Fund Scheme administered through provident fund commissioner and the company's contribution are charged to revenue every year.
- iii. Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.
- iv. 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. Gratuity Trust is administered through Life Insurance Corporation of India.
- v. Termination benefits are recognized as an expense immediately.
- vi. Gain or Loss arising out of actuarial evaluation is recognized immediately in the Statement of Profit and Loss as income or expense.

### **q) CLAIMS**

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

### **r) EXCISE DUTY**

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

### **s) TAX EXPENSE**

Provision for current income tax is made after taking credit for allowances and exemptions using the tax rate and laws that have been enacted or substantially enacted on the Balance Sheet date. In case of matters under appeal, due to disallowances 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.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as on 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.

### **t) PROPOSED DIVIDEND**

Dividend as proposed by the Board of Directors is provided for in the books of account, pending approval of the Members at the Annual General Meeting.

### **u) 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 notices 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. Contingent liabilities are not recognized but are disclosed in notes.

## Notes Forming Part of Financial Statements

### v) DERIVATIVE FINANCIAL INSTRUMENTS

In respect of the Financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to Statement of Profit & Loss. The contracts entered into other than forward contracts are marked to market at year end and the resultant profit / loss is charged to Statement of Profit & Loss except in the cases these relate to the depreciable fixed assets in which case these are adjusted to the carrying cost of such assets.

### w) 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.

## Note 2: Share Capital

₹ in Lacs

	March, 2012	March, 2011
<b>A. Authorised</b>		
1,50,00,000 Equity Shares of ₹ 10/- each	1500.00	1500.00
50,00,000 Preference Shares of ₹ 10/- each	500.00	500.00
	2000.00	2000.00
<b>B. Issued, Subscribed and Paid Up</b>		
1,01,98,841 (P.Y. 1,01,98,841) Equity Shares of ₹ 10/- each, fully paid up*	1019.88	1019.88
50,00,000 (P.Y. 50,00,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each [Redeemable after 6 years from the date of issue i.e. 26th December, 2009]	500.00	500.00
	1519.88	1519.88

\* Includes 3399614 Equity Shares of ₹ 10/- each, issued as Bonus Shares in F.Y. 2007-08 out of Free Reserves.

The Company has only one class of Equity Shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

In F.Y. 2009-10, the Company issued 50,00,000 (Fifty Lacs) Non Cumulative Redeemable Preference Share of ₹ 10/- (Rupees Ten only) each at a premium of ₹ 50/- (Rupees Fifty only) per share. Preference Share carry non cumulative dividend @ 8% p.a and do not have voting rights. All preference shares are redeemable after six years from the date of issue i.e 26th December, 2009. In the event of liquidation of the Company, the holders of preference shares will have priority over equity shares in payment of dividend and repayment of capital.

## Note 3: Reserves And Surplus

<b>A. Securities Premium Account</b>	3505.67	3505.67
<b>B. General Reserve</b>		
As per last Balance Sheet	275.00	110.65
Add : Transferred from Surplus balance	40.00	164.35
	315.00	275.00
<b>C. Surplus</b>		
As per last Balance Sheet	5129.32	4281.58

## Notes Forming Part of Financial Statements

₹ in Lacs

	March, 2012	March, 2011
Add:- Profit after tax for the current Financial Year	715.95	1295.65
Less:- Appropriations		
Proposed Dividend		
- Preference Shares	40.00	40.00
- Equity Shares*	152.98	203.98
Dividend Tax		
- Preference Shares	6.49	6.49
- Equity Shares	24.82	33.09
Transfer to General Reserve	40.00	164.35
Closing Balance	5580.98	5129.32
<b>TOTAL (A+B+C)</b>	<b>9401.66</b>	<b>8910.00</b>

\* @ ₹ 1.5/- per share (P.Y. ₹ 2/- Per Share)

### Note 4: Long Term Borrowings

<b>A. SECURED</b>		
Term Loan from banks		
In Foreign Currency*	1868.57	0.00
In Rupees**	5153.60	5591.52
Vehicle Loans From Banks***	10.14	15.05
	7032.31	5606.57
<b>B. UNSECURED</b>		
Inter Corporate Deposit		
From Related parties	1370.00	1380.00
From others	530.00	530.00
	1900.00	1910.00
	8932.31	7516.57

\* Secured by First Pari Passu charge on the current assets of the Company (Excluding those from Sanand, Gujrat unit) and by Second Pari Passu charge on the moveable and Immovable fixed assets of the Greater Noida, Uttar Pradesh and Faridabad, Haryana unit of the Company.

\*\* Term Loan of ₹ 1620.00/- Lacs is secured by first pari passu charge on the entire moveable fixed assets including plant & machinery situated at Sanand, Gujrat unit of the company and by first pari passu charge by way of equitable mortgage on the immovable property situated at Nashik, Maharashtra unit of the company. The Term Loan of ₹ 4867.00/- Lacs is secured by first pari passu charge by way of Equitable Mortgage of leasehold land situated at Sanand, Gujrat subleased by Tata Motors Limited & on the moveable fixed assets including plant & machinery situated at Sanand, Gujrat unit of the Company.

\*\*\* Secured by hypothecation of specific vehicles.

Term of Repayment of Loan	₹ In Lacs	No. of Quarterly installments	Balance Installments	Rate of interest
Foreign Currency Loan	2299.78	16	16	3Months USD LIBOR Linked rate
Rupee Loan	4867.00	20	20	BPLR Linked rate
Rupee Loan	1620.00	20	18	BPLR Linked rate

Vehicle loan from Banks are payable in 36 Monthly equal installments from the date of disbursement

## Notes Forming Part of Financial Statements

### Note 5: Deferred Tax Liability

₹ in Lacs

		March, 2012	March, 2011
<b>1)</b>	<b>Deferred Tax liability</b>		
	- Difference between book depreciation & depreciation under Income Tax Act 1961.	1156.59	999.24
	-Closing balance of Excise Duty	269.89	290.93
<b>2)</b>	<b>Deferred Tax Assets</b>		
	-Provision for Doubtful debts	(2.44)	(2.30)
	-Claim under Sec43 (B) of Income tax Act	(40.72)	(29.50)
<b>3)</b>	<b>Net Deferred Tax liability (1-2)</b>	<b>1383.33</b>	<b>1258.37</b>

### Note 6: Short Term Borrowings

<b>A.</b>	<b>SECURED</b>		
	Loans from Banks		
	- Cash Credit*	2373.44	5594.07
	-Working Capital Demand Loans*	4550.00	3675.21
	- Buyers credit / External Commercial Borrowing**	1184.97	1533.54
<b>B.</b>	<b>UNSECURED</b>		
	Loans from Banks		
	-Working Capital Loan From Bank***	1563.35	1004.24
		<b>9671.76</b>	<b>11807.05</b>

\* Secured by hypothecation on pari passu interse between banks by way of first charge on current assets of the company (excluding current assets of Sanand, Gujarat unit) and by way of second charge on entire fixed assets of the company both present and future. Facility of ₹ 600 Lacs is secured by exclusive first charge on the entire current assets of Sanand, Gujrat unit of the Company and second charge on movable fixed assets including plant and machinery at Sanand, Gujrat unit of the Company, both present and future, further secured by second paripassu by way of equitable mortgage on immovable property situated at Nashik, Maharashtra unit of the Company.

\*\* Buyer's credit / External Commercial Borrowings are secured by guarantee of indian Banks.

\*\*\* It represents bills discounted by bankers

<b>Note 7: Trade Payables*</b>	5330.48	5551.82
	<b>5330.48</b>	<b>5551.82</b>

\*In terms of Section 22 of Micro, Small & Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to get registered under the Act. On communicating with them no enterprise has filed any registration certification with the Company. Hence, the disclosure of required information is not applicable.

### Note 8: Other Current Liabilities

Current maturities of Long term borrowings	1778.47	491.86
Interest accrued but not due on borrowings	387.49	221.01
Interest accrued and due on borrowings	55.70	0.24
Unclaimed Dividends	4.43	3.65
	<b>2226.09</b>	<b>716.76</b>
<b>Other payables</b>		
Payable for Capital Goods	496.99	466.61



## Notes Forming Part of Financial Statements

₹ in Lacs

	March, 2012	March, 2011
Statutory Dues Payable	206.30	127.67
Employee related Liabilities	205.15	135.48
Advance from customers	2999.86	3399.49
Others	433.04	279.92
	4341.35	4409.17
	6567.43	5125.93

### Note 9: Short Term Provisions

Provision for employee benefits	73.22	56.34
Provision for Proposed Dividend		
- Preference Shares	40.00	40.00
- Equity Shares	152.98	203.98
Provision for Dividend Tax on Proposed Dividend	31.31	39.58
	297.51	339.89

## Notes Forming Part of Financial Statements

### Note 10 : Fixed Assets

₹ in Lacs

Description	Gross Block					Depreciation			Net Block		
	As at 01.04.2011	Additions during the year	Other Adjustments*	Sale during the year	Total as at 31.03.2012	As at 01.04.2011	For the year	Written Back/ Adjustment on sales	Total as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>											
Land (Freehold)	254.93	-	-	-	254.93	-	-	-	-	254.93	254.93
Land (Lease Hold)	2454.88	19.33	(0.33)	646.71	1827.18	62.51	9.82	-	72.33	1754.85	2392.38
Building	1902.61	321.90	17.92	31.25	2211.18	231.82	69.15	8.41	292.56	1918.61	1670.78
Plant & Machinery	11406.47	2320.08	93.12	115.58	13704.10	3894.62	935.33	43.93	4786.01	8918.08	7511.86
Furniture & Fixtures	121.76	5.69	(0.01)	20.19	107.26	59.49	7.30	12.28	54.50	52.75	62.28
Office Equipments	313.14	33.15	(0.02)	30.58	315.70	139.88	34.58	17.59	156.88	158.82	173.26
Vehicles	210.76	14.00	-	14.25	210.51	66.75	18.90	5.54	80.11	130.40	144.02
<b>Total Tangible Assets</b>	<b>16664.56</b>	<b>2714.15</b>	<b>110.69</b>	<b>858.57</b>	<b>18630.84</b>	<b>4455.07</b>	<b>1075.09</b>	<b>87.76</b>	<b>5442.40</b>	<b>13188.44</b>	<b>12209.49</b>
<b>Intangible Assets</b>											
Computer Software	259.99	39.66	-	-	299.65	108.04	57.48	-	165.52	134.13	151.95
<b>Total</b>	<b>16924.55</b>	<b>2753.81</b>	<b>110.69</b>	<b>858.57</b>	<b>18930.49</b>	<b>4563.10</b>	<b>1132.57</b>	<b>87.76</b>	<b>5607.92</b>	<b>13322.57</b>	<b>12361.45</b>
Previous year	12151.16	4788.15	252.54	267.30	16924.55	3926.77	817.76	181.43	4563.10	12361.45	8224.39
<b>Capital Work in Progress</b>										<b>1036.32</b>	<b>847.77</b>

#### NOTES :-

\* Other Adjustments includes ₹ 12.57 Lacs (P.Y. ₹ 14.00 Lacs) on account of Exchange Fluctuation and ₹ 98.12 Lacs (P.Y. ₹ 252.54 Lacs) on account of Interest cost

1. The Lease hold Land at Faridabad is yet to be registered in the name of the Company. The Company has obtained "No Objection Certificate" from lessor to get registration of same in the name of the Company.
2. Lease hold land includes land at Singur in West Bengal and Land at Bhiwadi in Rajasthan which are yet to be registered in the name of the company.

## Notes Forming Part of Financial Statements

### Note 11: Non Current Investments

₹ in Lacs

	March, 2012	March, 2011
<b>TRADE- UNQUOTED (fully paid up) at Cost</b>		
Investment in Equity Instrument		
<b>Subsidiaries</b>		
11,219,994 (P.Y. 89,75,990) Equity Share of ₹ 10/- each fully paid up of JBM Ogihara Automotive India Ltd	1122.00	897.60
1,83,90,000 (P.Y. 1,83,90,000) Equity Shares of ₹ 10/- each fully paid up of JBM Auto System Pvt. Ltd.	2945.82	2945.82
<b>Joint Ventures</b>		
3,04,49,600 (P.Y. 3,04,49,600) Equity Shares of ₹ 10/- each fully paid up of JBM MA Automotive Pvt Ltd.	3044.96	3044.96
2,00,000 (P.Y. 2,00,000) Equity Shares of ₹ 10/ each fully paid up of INDO Tooling Pvt. Ltd	20.00	20.00
	7132.78	6908.38
Aggregate value of unquoted investment	7132.78	6908.38

### Note 12: Long Term Loans And Advances

(Unsecured, considered good)		
Capital advances	75.08	647.63
Security Deposit	125.51	124.77
	200.59	772.41

### Note 13: Other Non Current Assets

Hedging Gain Recoverable	181.63	0.00
Others (Refer Note 36)	1414.53	1825.64
	1596.16	1825.64

### Note 14: Inventories

Raw material	2836.73	2986.41
Work in process	3039.52	2902.19
Finished Goods	194.08	258.53
Stores & spares	186.37	114.69
Scrap	72.42	78.23
	6329.12	6340.05

### Note 15: Trade Receivables

(Unsecured )		
Debts outstanding for more than six months		
- Considered good	516.39	581.28
- Considered doubtful	7.51	7.51
	523.90	588.79

## Notes Forming Part of Financial Statements

₹ in Lacs

	March, 2012	March, 2011
Less: provision for doubtful debts	7.51	7.51
	516.39	581.28
Other debts, considered good	10249.68	9953.88
	10766.07	10535.16

### Note 16: Cash And Bank Balance

<b>A</b>	<b>Cash and Cash Equivalents</b>		
	Cash in hand	9.81	6.31
	Balances with Banks		
	- In current account	402.08	164.66
	- In Unpaid Dividend account	4.43	3.65
	Deposits for less than 3 Months Maturity*	31.99	19.64
<b>B</b>	<b>Other Bank balances</b>		
	In Fixed Deposit account ( 3-12 Months Maturity)*	7.28	22.62
		455.58	216.89

\* Under Bank's lien and includes Interest Accrued ₹ 2,98,451/- (P.Y. ₹ 2,79,074/-) there on

### Note 17: Other Current Assets

<b>Loans &amp; advances</b>		
(Unsecured ,considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 36)	811.05	517.81
Advance to suppliers		
- Considered good	306.48	688.77
- Considered doubtful	0.42	0.42
Less: Provision for doubtful advance	(0.42)	(0.42)
Advance income tax (Net of provision)	46.00	10.40
Balance of Modvat/ Cenvat	1059.74	1004.80
Hedging Gain Recoverable	41.92	0.00
	2265.18	2221.78

### Note 18: Revenue From Operations

Sale of Products	40202.78	37107.50
Sale of Services	470.60	595.28
Other operating Revenue	3980.25	2877.98
<b>Gross Revenue from Operations</b>	<b>44653.63</b>	<b>40580.76</b>

## Notes Forming Part of Financial Statements

### Note 19: Other Income

₹ in Lacs

	March, 2012	March, 2011
Interest {TDS ₹ 29845/- (P.Y. ₹ 30912/-)}	11.03	3.61
Profit on Sale of Fixed Assets (Net)	3.25	12.10
Royalty {TDS ₹ 1041243/- (P.Y. ₹ 148400/-)}	104.12	14.84
Miscellaneous Income	24.02	10.03
	<b>142.43</b>	<b>40.58</b>

### Note 20: Increase/(Decrease) In Stocks

<b>Opening stocks :</b>		
Work in process	2902.19	3361.32
Finished goods	258.53	219.35
	<b>3160.72</b>	<b>3580.67</b>
<b>Less : Closing stocks :</b>		
Work in process	3039.52	2902.19
Finished Goods	194.08	258.53
	<b>3233.60</b>	<b>3160.72</b>
<b>Increase/ (Decrease) in stocks</b>	<b>72.88</b>	<b>(419.95)</b>

### Note 21: Employee Benefits Expenses

Salaries & wages	2725.87	2140.22
Contribution to ESI, PF and other funds	135.00	106.57
Staff welfare	146.27	122.99
	<b>3007.15</b>	<b>2369.78</b>

### Note 22: Finance Cost

Interest to Banks		
-on term loans	1024.93	201.33
- on others	1289.55	1064.93
Other Financial Charges	53.13	47.42
Applicable net Gain/Loss on foreign currency transactions and translation	110.29	23.77
	<b>2477.90</b>	<b>1337.45</b>

### Note 23: Other Expenses

Stores consumed	551.67	544.86
Manufacturing expenses	1372.66	1377.92
Power & fuel	666.16	501.13
Packing Material	506.53	637.25
Machinery repairs and maintenance	259.58	227.18
Rent (including land lease rent)	40.63	40.24

## Notes Forming Part of Financial Statements

₹ in Lacs

	March, 2012	March, 2011
Rates & taxes	32.44	38.77
Insurance	9.27	8.82
Repair & Maintenance		
-Building	19.58	32.06
-Others	134.24	104.42
Bad Debts written off	9.11	6.34
Loss on sale of assets/assets written off (Net)	1.18	28.86
Provision for Bad & Doubtful Debts	0.00	7.08
Freight & Forwarding charges	583.66	705.34
Exchange Fluctuation(Net)	86.32	50.10
Other Administrative Expenses*	431.85	478.81
	4704.88	4789.17

\* Includes (₹ 151306/-) (P.Y. ₹ 729427/-) on account of excise duty provision on change in stock of scrap.

## Note: 24 Earning Per Share

	Particulars	Year ended March 31,2012	Year ended March 31,2011
a)	Profit after tax as per Profit & Loss account (₹ In Lacs)	715.95	1295.65
b)	Preference dividend and dividend tax thereon (₹ In Lacs)	46.49	46.49
c)	Net profit available for equity share holders (₹ In Lacs)	669.46	1249.16
	Total Equity Shares (Nos.)	10198841	10198841
	Basic/Diluted Earnings per Share (₹)	6.56	12.25

## Note: 25 Detail Of Shareholders Holding More Than 5% Share Capital As On The Balance Sheet Date

Name of Shareholders	31.03.2012		31.03.2011	
	No. of Shares held	% held in Shareholding	No. of Shares held	% held in Shareholding
<b>I) Equity Shares of ₹ 10 each fully paid</b>				
SMC CREDITS LIMITED	1892565	18.56%	1892505	18.56%
A to Z SECURITIES LIMITED	1047540	10.27%	1047540	10.27%
ZEAL IMPEX & TRADERS PRIVATE LIMITED	1004742	9.85%	1004742	9.85%
AMITY INFOTECH PRIVATE LIMITED	1000000	9.81%	1000000	9.81%
SHUKLAMBER EXPORTS LIMITED	856206	8.40%	856206	8.40%
JBM BUILDERS PVT LIMITED	757708	7.43%	757708	7.43%
NAP INVESTMENT & LEASING PVT LIMITED	568654	5.58%	568654	5.58%
ANS HOLDING PRIVATE LIMITED	514749	5.05%	514749	5.05%
<b>II) Preference Shares of ₹ 10 each fully paid</b>				
NEEL METAL PRODUCTS LIMITED	5000000	100%	5000000	100%

## Notes Forming Part of Financial Statements

### Note: 26 Contingent Liabilities

₹ in Lacs

Sr. No.	Particulars	2012	2011
i)	Letter of Credit outstanding	2862.82	1189.62
ii)	Guarantees issued by the Bank on behalf of the Company	1055.86	1009.91
iii)	Claims against the Company not acknowledged as debt	450.49	480.49

### Note: 27

Estimated Amount Of Contracts Remaining To Be Executed On Capital Account (Net Of Advances) Not Provided for ₹ 90.81 Lacs (Previous Year ₹ 530.64 Lacs).

### Note: 28 Auditor's Remuneration

The break- up of Auditor's Remuneration is as under :

₹ in Lacs

		2011-12	2010-11
i	Audit fee	9.50	9.50
ii	Tax audit fees	3.50	3.50
iii	Taxation matter	2.35	-
iv	Others	5.00	5.00

### Note: 29 Segment Information

#### i) Primary Segment Reporting

A. Primary business segments of the company are as under:

- Sheet Metal Components, Assemblies & Sub-assemblies - Segment manufactures components etc.
- Tool, Dies & Moulds: Segment manufactures Dies for Sheet Metal Segment or sells Dies.
- Special Purpose Vehicle: Segment assembles and fabricates bodies of heavy vehicles.

B. Inter Segment Transfer Pricing

Inter Segment Prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimization objective for the company.

#### ii) Segment Revenues, Results and other information

₹ in Lacs

	Sheet Metal Components, Assemblies & sub-assemblies		Tools, dies & Moulds		Special Purpose Vehicle		Total of Reportable Segments	
	2012	2011	2012	2011	2012	2011	2012	2011
External Sales	33495.52	30521.77	5869.67	5135.43	221.90	827.37	39587.09	36484.57
Inter Segment Sales	34.20	26.36	-	15.05	-	-	34.20	41.41
Other Income	78.46	19.58	59.59	14.54	4.38	6.46	142.43	40.58
Segment Revenues	33608.18	30567.71	5929.26	5165.02	226.28	833.82	39763.72	36566.55
Segment Results	2974.50	2630.33	931.24	1009.49	(47.64)	(84.81)	3858.10	3568.36
Segment Assets	25602.41	23586.86	6056.50	7246.52	988.51	1377.33	32647.42	32210.71
Segment Liabilities	5751.27	5074.49	3247.89	4604.73	151.14	307.44	9150.30	9986.66
Capital Expenditure	2967.65	4661.81	85.40	50.73	-	0.24	3053.05	4712.78
Depreciation/ Amortisation	983.74	679.59	135.00	122.09	13.83	16.08	1132.57	817.76

## Notes Forming Part of Financial Statements

### Reconciliation of Reportable Segment with the Financial Statements:

₹ in Lacs

	Revenues		Results/ Net Profit		Assets		Liabilities	
	2012	2011	2012	2011	2012	2011	2012	2011
Total Reportable Segments	39763.72	36566.55	3858.10	3568.36	32647.42	32210.71	9150.30	9986.66
Inter segment sales/ Adjustments	(34.20)	(41.41)	-	-	-	-	-	-
Corporate unallocated/ Others (Net)	-	-	(2715.28)	(1696.83)	10456.95	9818.81	21649.20	20354.61
Taxes/ Deferred Tax	-	-	(426.87)	(575.88)	-	-	1383.33	1258.37
As per Financial statements	39729.52	36525.14	715.95	1295.65	43104.37	42029.52	32182.83	31599.64

The Company is mainly engaged in business in India and exports are not material.

Hence in the context of Accounting Standard 17- "Segment Reporting" it is considered the only reportable segment.

**Note: 30 The Company Uses Derivative Contracts To Hedge The Interest Rates And Currency Risk On Its Capital And Revenue Account. The Company Does Not Use These Contracts For Trading Or Speculative Purpose.**

#### i. Derivative contracts remaining outstanding as on 31.03.2012

Nos. of Contracts		Equivalent JPY (JPY in Lacs)		INR Equivalents (₹ In Lacs)	
2012	2011	2012	2011	2012	2011
-	9	-	2547.08	-	1413.57
Nos. of Contracts		Equivalent USD (USD in Lacs)		INR Equivalents (₹ In Lacs)	
2012	2011	2012	2011	2012	2011
1	5	44.69	16.54	2076.23	758.64

#### ii. Foreign currency exposures that have not been hedged by derivative instruments are given below.

(Figures in Lacs)

	As at March 31, 2012	As at March 31, 2011
<b>Liabilities</b>		
In Euros (€)	2.77	0.07
(Equivalent approximate in INR)	189.18	4.73
In US Dollar (\$)	28.24	19.79
(Equivalent approximate in INR)	1453.21	890.37
In SEK (kr)	0.24	0.89
(Equivalent approximate in INR)	1.84	6.42
<b>Assets</b>		
In Euros (€)	3.94	7.98
(Equivalent approximate in INR)	270.38	505.01
In US Dollar (\$)	-	0.20
(Equivalent approximate in INR)	-	9.11



## Notes Forming Part of Financial Statements

### Note: 31 Retirement Benefits

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

#### i. Provident Fund

During the year the Company has recognized the following amounts in the Profit and Loss account:- ₹ in Lacs

	2012	2011
Employer's Contribution to Provident Fund*	111.38	88.43

#### ii. State Plans

During the year the Company has recognized the following amounts in the profit and loss accounts: - ₹ in Lacs

	2012	2011
Employer's contribution to Employee State Insurance*	23.23	17.53
Employer's contribution to Welfare Fund*	0.39	0.61

\*included in contribution to Provident and other funds under Employee Remuneration and Benefits (Refer Note 21)

#### iii. Defined Benefit Plans

- Contribution to Gratuity Fund – Employee's Gratuity Fund.
- 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	2012		2011	
		Leave Encashment/ Compensated Absence	Employee Gratuity Fund	Leave Encashment/ Compensated Absence	Employee Gratuity Fund
	Discount Rate (per annum)	8.75%	8.75%	8.50%	8.50%
	Rate of increase in compensation levels	5%	5%	5%	5%
	Rate of return on plan assets	N.A	9.25%	N.A	9.15%
	Expected Average remaining working lives of employees (years)	23.59	23.59	23.88	23.88
₹ in Lacs					
ii)	Change in the obligation during the year ended 31st March, 2012				
	Present value obligation as at 31st March, 2011	33.33	121.62	35.78	91.16
	Interest cost	3.69	9.76	2.49	7.02
	Past Service cost	-	-	-	-
	Current service cost	30.78	19.57	19.78	16.72
	Curtailment cost	-	-	-	-
	Settlement cost	-	-	-	-
	Benefit paid	(8.82)	(10.60)	(24.92)	(8.95)
	Actuarial (gain)/loss on Obligations	(8.76)	3.46	0.20	15.67
	Present value obligation as at 31st March, 2012	50.22	143.81	33.33	121.62

## Notes Forming Part of Financial Statements

₹ in Lacs

		2012		2011	
iii)	Change in fair value plan Assets	Leave Encashment/Compensated Absence	Employee Gratuity Fund	Leave Encashment/Compensated Absence	Employee Gratuity Fund
	Fair value of Plan Assets as at 31st March, 2011	-	166.91	-	120.87
	Expected return on Plan Assets	-	16.36	-	11.96
	Contributions	-	23.73	-	38.30
	Withdrawals	-	(3.85)	-	(2.46)
	Actuarial gain/(loss) on Obligations	-	(0.11)	-	(1.76)
	Fair value of Plan Assets as at 31st March, 2012	-	203.04	-	166.91
iv)	<b>Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets</b>				
	Present value obligation as at 31st March, 2012	50.22	143.81	33.33	121.62
	Fair value of Plan Assets as at 31st March, 2012	-	203.04	-	166.91
	Funded Status	-	59.23	-	45.29
	Present value of unfunded obligation as at 31st March, 2012	-	-	-	-
	Unfunded Actuarial (gains)/Losses	-	-	-	-
	Unfunded Net Asset/(Liability) recognized in Balance Sheet	(50.22)	-	(33.33)	-
v)	<b>Expenses recognized in Profit and Loss Account</b>				
	Current service cost	30.78	19.57	19.78	16.72
	Past Service cost	-	-	-	-
	Interest cost	3.69	9.76	2.49	7.01
	Expected return on Plan Assets	-	(16.36)	-	(11.96)
	Curtailment cost	-	-	-	-
	Settlement cost	-	-	-	-
	Net Actuarial (gain)/loss recognized during the year	(8.76)	3.57	0.20	17.43
	Total Expense recognized in Profit and Loss Account	25.72	16.54	22.47	29.20

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

## Notes Forming Part of Financial Statements

### Note: 32

Expansion project at Greater Noida unit, Uttar Pradesh and Faridabad unit, Haryana of the Company capitalized on 31st July 2011 and 17th October 2011 respectively.

The pre-operative expenses have been capitalized as per the details hereunder:

₹ in Lacs

Expenditure	Greater Noida	Faridabad	Total
Manufacturing Expenses	5.00	0.43	5.43
Employee Cost	19.55	90.35	109.90
Interest and Bank Charges	37.41	114.38	151.79
<b>Total</b>	<b>61.96</b>	<b>205.16</b>	<b>267.12</b>

### Note: 33 Statement Of Transactions With Related Parties

Subsidiaries	Enterprises over which Key Management Personnel and their relative are able to exercise significant influence	Joint Ventures	Key Management personnel and their relatives
JBM Ogihara Automotive India Ltd.	JBM Industries Limited	JBM MA Automotive Pvt. Ltd.	Mr. S.K. Arya, Chairman
JBM Auto System Pvt. Ltd.	Neel Metal Products limited	Indo Tooling Pvt. Ltd.	Mr. H.R. Saini, Executive Director
	Jay Bharat Maruti Limited		
	Gurera Industries Limited		
	Neel Industries Private Limited		

₹ in Lacs

2011-2012					2010-2011					
	Subsidiaries	Enterprise over which key management personnel and their relative are able to exercise significance influence	Joint Ventures	Key Management personnel and their relatives	Total	Subsidiaries	Enterprise over which key management personnel and their relative are able to exercise significance influence	Joint Ventures	Key Management personnel and their relatives	Total
<b>Purchase of capital goods</b>										
Neel Metal Products Ltd.	-	39.66	-	-	39.66	-	200.21	-	-	200.21
JBM MA Automotive P. Ltd.	-	-	-	-	-	-	-	0.93	-	0.93
<b>Total</b>	<b>-</b>	<b>39.66</b>	<b>-</b>	<b>-</b>	<b>39.66</b>	<b>-</b>	<b>200.21</b>	<b>0.93</b>	<b>-</b>	<b>201.14</b>
<b>Sale of Goods &amp; Job work</b>										
Neel Metal Products Ltd.	-	2411.14	-	-	2411.14	-	1826.79	-	-	1826.79
Jay Bharat Maruti Ltd.	-	1565.76	-	-	1565.76	-	1868.35	-	-	1868.35
JBM Industries Ltd.	-	552.12	-	-	552.12	-	439.26	-	-	439.26

## Notes Forming Part of Financial Statements

JBM Ogihara Automotive India Ltd.	85.44	-	-	-	85.44	1262.34	-	-	-	1262.34
JBM Auto System P. Ltd	12.22	-	-	-	12.22	444.48	-	-	-	444.48
JBM MA Automotive P. Ltd.	-	-	275.27	-	275.27	-	-	313.25	-	313.25
Others	-	-	-	-	-	-	8.32	-	-	8.32
<b>Total</b>	<b>97.66</b>	<b>4529.02</b>	<b>275.27</b>	<b>-</b>	<b>4901.95</b>	<b>1706.82</b>	<b>4142.72</b>	<b>313.25</b>	<b>-</b>	<b>6162.79</b>
<b>Sale of Capital goods</b>										
Neel Metal Products Ltd.	-	25.02	-	-	25.02	-	-	-	-	-
JBM Industries Ltd.	-	37.40	-	-	37.40	-	15.54	-	-	15.54
<b>Total</b>	<b>-</b>	<b>62.42</b>	<b>-</b>	<b>-</b>	<b>62.42</b>	<b>-</b>	<b>15.54</b>	<b>-</b>	<b>-</b>	<b>15.54</b>
<b>Purchase of the goods</b>										
Neel Metal products Limited	-	3391.01	-	-	3391.01	-	3620.55	-	-	3620.55
Jay Bharat Maruti Ltd.	-	680.56	-	-	680.56	-	500.18	-	-	500.18
JBM Industries Ltd.	-	36.73	-	-	36.73	-	101.58	-	-	101.58
JBM MA Automotive P. Ltd.	-	-	15.93	-	15.93	-	-	30.25	-	30.25
Others	-	-	-	-	-	-	8.97	-	-	8.97
<b>Total</b>	<b>-</b>	<b>4108.30</b>	<b>15.93</b>	<b>-</b>	<b>4124.23</b>	<b>-</b>	<b>4231.28</b>	<b>30.25</b>	<b>-</b>	<b>4261.53</b>
<b>Interest paid</b>										
JBM Industries Ltd.	-	14.72	-	-	14.72	-	12.78	-	-	12.78
Neel Metal Products Ltd.	-	179.15	-	-	179.15	-	147.93	-	-	147.93
<b>Total</b>	<b>-</b>	<b>193.87</b>	<b>-</b>	<b>-</b>	<b>193.87</b>	<b>-</b>	<b>160.71</b>	<b>-</b>	<b>-</b>	<b>160.71</b>
<b>Others Expenses</b>										
JBM MA Automotive P. Ltd.	-	-	8.88	-	8.88	-	-	-	-	-
Gurera Industries Ltd.	-	3.00	-	-	3.00	-	17.04	-	-	17.04
Neel Metal Products Ltd.	-	48.66	-	-	48.66	-	32.15	-	-	32.15
JBM Industries limited	-	26.04	-	-	26.04	-	12.00	-	-	12.00
<b>Total</b>	<b>-</b>	<b>77.70</b>	<b>8.88</b>	<b>-</b>	<b>86.58</b>	<b>-</b>	<b>61.19</b>	<b>-</b>	<b>-</b>	<b>61.19</b>
<b>Other Income</b>										
JBM Ogihara Automotive India Ltd	104.12	-	-	-	104.12	14.68	-	-	-	14.68
Neel Metal Products Ltd	-	26.88	-	-	26.88	-	-	-	-	-
<b>Total</b>	<b>104.12</b>	<b>26.88</b>	<b>-</b>	<b>-</b>	<b>131.00</b>	<b>14.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.68</b>
<b>Managerial Remuneration</b>										
Mr. H. R. Saini	-	-	-	25.24	25.24	-	-	-	25.99	25.99
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.24</b>	<b>25.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.99</b>	<b>25.99</b>
<b>Security Deposits</b>										
JBM Industries Ltd.	-	10.50	-	-	10.50	-	10.50	-	-	10.50

## Notes Forming Part of Financial Statements

Gurera Industries Ltd.	-	9.00	-	-	9.00	-	9.00	-	-	9.00
<b>Total</b>	-	<b>19.50</b>	-	-	<b>19.50</b>	-	<b>19.50</b>	-	-	<b>19.50</b>
<b>EMI of Car Loan</b>										
Jay Bharat Maruti Ltd.	-	17.50	-	-	17.50	-	19.01	-	-	19.01
<b>Total</b>	-	<b>17.50</b>	-	-	<b>17.50</b>	-	<b>19.01</b>	-	-	<b>19.01</b>
<b>Investment</b>										
JBM Ogihara Automotive India Ltd.	224.40	-	-	-	224.40	285.60	-	-	-	285.60
<b>Total</b>	<b>224.40</b>	-	-	-	<b>224.40</b>	<b>285.60</b>	-	-	-	<b>285.60</b>
<b>Loan</b>										
Neel Metal Products Ltd	-	1230.00	-	-	1230.00	-	1230.00	-	-	1230.00
JBM Industries Ltd.	-	140.00	-	-	140.00	-	150.00	-	-	150.00
<b>Total</b>	-	<b>1370.00</b>	-	-	<b>1370.00</b>	-	<b>1380.00</b>	-	-	<b>1380.00</b>
<b>Amount Recoverable</b>										
JBM Industries Ltd.	-	307.41	-	-	307.41	-	170.31	-	-	170.31
Neel Industries Private Limited	-	93.51	-	-	93.51	-	148.89	-	-	148.89
JBM Auto System Pvt. Ltd	7.98	-	-	-	7.98	831.51	-	-	-	831.51
JBM MA Automotive Pvt. Ltd.	-	-	1067.94	-	1067.94	-	-	1569.65	-	1569.65
Indo-Tooling Pvt. Ltd.	-	-	-	-	-	-	-	1.52	-	1.52
JBM Ogihara Automotive India Ltd.	114.62	-	-	-	114.62	23.34	-	-	-	23.34
Neel Metal Products Ltd.	-	271.58	-	-	271.58	-	-	-	-	-
Jay Bharat Maruti Ltd.	-	0.11	-	-	0.11	-	-	-	-	-
Gurera Industries Ltd.	-	7.64	-	-	7.64	-	10.27	-	-	10.27
<b>Total</b>	<b>122.60</b>	<b>680.25</b>	<b>1067.94</b>	-	<b>1870.79</b>	<b>854.85</b>	<b>329.47</b>	<b>1571.17</b>	-	<b>2755.49</b>
<b>Amount Payable</b>										
Neel Metal Products Ltd.	-	1401.12	-	-	1401.12	-	1539.37	-	-	1539.37
Jay Bharat Maruti Ltd.	-	94.83	-	-	94.83	-	460.87	-	-	460.87
JBM Industries Ltd.	-	176.88	-	-	176.88	-	-	-	-	-
Neel Industries Private Limited	-	4.40	-	-	4.40	-	-	-	-	-
JBM MA Automotive Pvt. Ltd.	-	-	7.74	-	7.74	-	-	-	-	-
<b>Total</b>	-	<b>1677.23</b>	<b>7.74</b>	-	<b>1684.97</b>	-	<b>2000.24</b>	-	-	<b>2000.24</b>
<b>Loans and Advance</b>										
Neel Metal Products Ltd.	-	400.00	-	-	400.00	-	500.00	-	-	500.00
<b>Total</b>	-	<b>400.00</b>	-	-	<b>400.00</b>	-	<b>500.00</b>	-	-	<b>500.00</b>

## Notes Forming Part of Financial Statements

### Note: 34 Statement On Assets, Liabilities, Income & Expenses Of Joint Ventures

Details of the Company's share in the Joint Venture Assets, Liabilities, Income & Expenses as required by Accounting Standard 27 "Financial Reporting of Interest in Joint Venture" is as indicated below:

S.No.	Name of Company	% Ownership Interest	Country of Incorporation
1.	JBM MA Automotive Pvt. Ltd.	50.00	India
2.	Indo Tooling Pvt. Ltd.	50.00	India

₹ in Lacs

Details of Assets	Year Ended March 31, 2012	Year Ended March 31, 2011
Fixed Assets – Net Block		
- Tangible	8462.04	8537.68
- Intangible	33.93	16.52
- Capital Work in Progress	262.95	653.68
Non Current Investments	300.00	300.00
Deferred Tax Asset	79.25	185.25
Long term loans and advances	21.43	13.71
Inventories	1840.77	1167.21
Trade receivables	3463.81	1396.02
Cash and Cash equivalents	52.00	184.94
Other Current Assets	1391.68	1507.93
<b>Details of Liabilities</b>		
Long Term Borrowings	2127.01	2345.68
Other long term Liabilities	1566.92	-
Long term provisions	21.47	-
Deferred Tax Liability	-	0.08
Short Term Borrowings	3359.89	4027.13
Trade Payables	1963.63	2819.45
Other Current Liabilities	3508.42	1785.10
Short Term Provisions	30.00	6.45
<b>Detail of Income</b>		
Revenue from operations (Net)	13173.24	8248.27
Other Income	467.71	9.25
<b>Detail of Expenses</b>		
Cost of Material Consumed	10203.26	5671.52
Changes in inventories of Finished Goods and Work in progress	(481.88)	(89.54)
Employees Benefits Expense	882.80	508.46
Finance Cost	777.50	573.48
Depreciation and Amortization Expense	693.01	696.66
Other Expenses	1294.36	1083.35
Tax Expense	126.10	(63.64)
<b>Details of Contingent Liabilities</b>		
Capital commitments	348.39	464.13

## Notes Forming Part of Financial Statements

- The assets & liabilities and Income & Expenditure given above are on the basis of unaudited financial results of JBM MA Automotive Pvt. Ltd. and of Indo Tooling Pvt. Ltd.

### Note: 35

The Company has taken land on lease for a period of 35 years, admeasuring 9.579 acre under an agreement commencing w.e.f. 5th May, 2009 with Tata Motors Ltd. on an annual rent payable from the 3rd year onwards. The lease rent will be charged to revenue in the year of incurrence. The lease rent as stipulated in the agreement shall increase periodically.

### Note: 36

Other non current assets and advance recoverable in cash or in kind or for Value to be received includes Singur project relocation cost, which shall be recovered from Tata Motors Ltd. by way of amortization in sales.

### Note: 37

On 22nd January, 2012, a fire occurred in the administration block of the Greater Noida unit, Uttar Pradesh of the Company. All the records, documents, computer system etc. were burnt. The aforesaid results have been compiled & audited on the basis of information available with the Company at its other locations / corporate office, which in the opinion of Auditors is reasonable and reliable. The Company has filed the insurance claim against the loss, which is pending for settlement. No provision has been made for the same. Any variation from insurance claim filed will be accounted for as and when it is realized.

### Note: 38

The Company has filed a writ petition with the Hon'ble High Court of Kolkata, West Bengal for injunction restraining the Govt. of West Bengal for acting in terms of the Singur Land Rehabilitation And Development Act, 2011, which is being heard by Divisional Branch along with the appeals of TATA Motors Ltd. and their other vendors. Pending finalization of the case, the company has not made any provision against advance given for the same.

### Note: 39

Consumption of Raw materials and Components has been computed by adding purchase to the opening stock and deducting closing stock verified physically by the management.

### Note: 40

The Company has decided to exercise the option provided in notification GSR No. 914(E) dated 29-12-2011 issued by ministry of companies affairs regarding the treatment of exchange differences.

### Note: 41

Trade and other receivables and payables are subject to confirmation.

### Note: 42

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

## Notes Forming Part of Financial Statements

### Note: 43

Additional information pursuant to the general instructions for preparation of Statement of Profit and Loss of Revised Schedule VI of the Companies Act, 1956 are as under :

#### i) OPENING, CLOSING STOCK AND SALES

₹ in Lacs

Products	Opening Stock	Closing Stock	Sales	Closing WIP
Finished Goods				
Components, Assemblies and Sub-assemblies	258.53 (184.58)	194.08 (258.53)	33873.09* (31284.11)*	779.45 (741.70)
Tools, Dies and Moulds	-	-	6691.41** (5512.01)**	2260.07 (2101.08)
Special Purpose Vehicles	- (34.77)	- (-)	108.89** (906.66)**	- (59.40)
Others	-	-	3980.20 (2792.83)	-

\* Includes Components produced on Job Work for ₹ 123.98 (P.Y. ₹ 401.79) Lacs

\*\* Includes Tools produced on Job Work for ₹ 346.62 (P.Y. ₹ 187.44) Lacs

Note: Figures in brackets represents previous year's amounts

#### ii) CONSUMPTION OF RAW MATERIALS AND COMPONENTS

₹ in Lacs

	Particulars	2012	2011
1.	Component	4594.00	4687.13
2.	Metal Sheet	19418.22	17755.35
3.	Die Material	3277.11	2289.28
4.	Others	47.76	187.74
	TOTAL	27337.09	24919.50

#### iii) CIF VALUE OF IMPORTS

₹ in Lacs

	Particulars	2012	2011
1.	Raw Material	190.60	8.51
2.	Stores & Spares	4.98	17.71
3.	Capital Goods	95.76	87.04

#### iv) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARES CONSUMED

₹ in Lacs

	Particulars	2012		2011	
		Value	% age	Value	% age
a)	Raw Material & Components				
	-Imported	200.13	0.73%	495.93	1.99%
	-Indigenous	27136.96	99.27%	24423.57	98.01%
	<b>Total</b>	<b>27337.09</b>	<b>100.00%</b>	<b>24919.50</b>	<b>100.00%</b>
b)	Stores & Spares				
	-Imported	5.23	0.95%	0.78	0.14%
	-Indigenous	546.44	99.05%	544.08	99.86%
	<b>Total</b>	<b>551.67</b>	<b>100.00%</b>	<b>544.86</b>	<b>100.00%</b>



## Notes Forming Part of Financial Statements

### v) EXPENDITURE INCURRED IN FOREIGN CURRENCY

₹ in Lacs

	Particulars	2012	2011
1.	Travelling	26.73	31.37
2.	Repair & Maintenance (Plant & Machinery)	0.65	-
3.	Interest on ECB's	42.45	33.21
4.	Interest on Term Loan	138.36	77.32
5.	Interest on WCDL	12.21	-
6.	Job Work Charges	18.12	1.61
7.	Freight, Warehouse & Other Charges	17.16	11.75
8.	Professional & technical Fees	321.20	-

### vi) EARNINGS IN FOREIGN CURRENCY

₹ in Lacs

	Particulars	2012	2011
1.	FOB value of Exports	707.63	1441.73

As per our report attached

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

**R.K. Mehra**  
Partner  
M.No. 6102

Place : New Delhi  
Dated : 28th May, 2012

**S.K. Arya**  
Chairman

**Nishant Arya**  
Director

**M. K. Aggarwal**  
Director

**N.K. Goel**  
Chief Financial Officer & Company Secretary

## Summary of Financial information of Subsidiary Companies

₹ in Lacs

Sr. No.	Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Taxation	Provision For Taxation	Profit After Tax	Proposed Dividend
1	JBM Auto System Pvt. Ltd.	2489.00	7195.42	23069.19	23069.19	1000.00	37622.08	3253.42	1035.79	2217.63	-
2	JBM Ogihara Automotive India Ltd.	2200.00	(54.55)	7051.14	7051.14	-	7,071.18	115.53	(4.22)	119.76	-

## Statement Pursuant to Section 212(1)(e) of Companies Act, 1956

Sr. No.	Particulars	JBM Auto System Pvt. Ltd.	JBM Ogihara Automotive India Ltd.
1	Financial year of the subsidiary company ended on	31.03.2012	31.03.2012
2	The extent of holding company's interest in the subsidiary at the end of the financial year 31.03.2012		
	- No. of Shares	18390000	11219994
	- Face value of Share	10	10
	- Percentage of Holding Company's interest in the total share capital of the subsidiary	73.89%	51.00%
3	Net aggregate amount of profit/(loss) of the subsidiary company not dealt with in the Company's accounts so far as it concerns the members of the company :		
	- For the financial year ended 31.03.2012 (₹ in Lacs)	2217.63	119.76
	- For all the previous financial years of the subsidiary (₹ in Lacs)	4134.32	(41.78)
4	Net aggregate amount of profit/(loss) of the subsidiary company dealt with in the Company's accounts so far as it concerns the members of the company :		
	- For the financial year ended 31.03.2012(₹ in Lacs)	NIL	NIL
	- For all the previous financial years of the subsidiary (₹ in Lacs)	NIL	NIL

**S.K. Arya**  
Chairman

**M. K. Aggarwal**  
Director

Place : New Delhi  
Dated : 28th May, 2012

**Nishant Arya**  
Director

**N.K. Goel**  
Chief Financial Officer & Company Secretary

# Auditor's Report On The Consolidated Financial Statements

## To the Board of Directors of JBM Auto Limited

We have audited the attached consolidated Balance Sheet of JBM Auto Limited, its subsidiaries and joint ventures (collectively the group) as at March 31, 2012, and the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow statement for the year ended on the date annexed thereto.

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of one subsidiary namely JBM Auto System Pvt. Ltd. The financial statements of the subsidiary reflect Total Assets of ₹ 23069.19 lacs as at March 31, 2012, and Total Revenue of ₹ 37686.65 lacs and Net Cash flows of ₹ 13.26 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
3. We did not audit the financial statements of joint ventures, whose financial statements reflect Total Assets of ₹ 31815.74 lacs as at March 31, 2012, and Total Revenue of ₹ 27281.92 lacs, Total Expenditure of ₹ 26990.30 lacs for the year ended on that date. Our opinion, in so far as it relates to the amount included in respect of these joint ventures, is based on the unaudited financial statements.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and (AS) 27, Financial Reporting of Interest in Joint Venture as notified in Companies ( Accounting Standard ) Rules, 2006.
5. Subject to our comments in Para 2 and 3 above and Note No.28 of Notes to Accounts to consolidated financial statements of the company and on the basis of the information and explanation given to us and on the consideration of reports of other auditors on the separate financial statements of one subsidiary and separate individual unaudited financial statements of its joint ventures, we are of the opinion that said consolidated accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the group as at 31st March, 2012 ;
  - (b) in the case of Consolidated Statement of Profit and Loss, of the Consolidated Profit of the group for the year ended on that date; and
  - (c) in the case of Consolidated Cash Flow statement, of the consolidated Cash Flow of the group for the year ended on that date.

**For Mehra Goel & Co.**  
**Chartered Accountants**

Place: New Delhi  
Dated: 28th May, 2012

**R.K. Mehra**  
Partner  
M.No. 6102  
FRN.000517N

## Consolidated Balance Sheet as at 31st March, 2012

₹ in Lacs

	NOTE NO.	As at 31 March, 2012	As at 31 March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2 & 31	1519.88	1519.88
(b) Reserves and Surplus	3	12954.07	10454.78
		14473.95	11974.67
<b>(2) Minority Interest</b>		3912.85	3085.69
<b>(3) Non-Current Liabilities</b>			
(a) Long term borrowings	4	17403.23	12250.18
(b) Deferred Tax Liability	5	1536.67	1332.85
(c) Other Long term liabilities	6	1573.39	15.84
(d) Long term provisions	7	26.46	0.00
		20539.75	13598.87
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	8	13746.93	18103.13
(b) Trade payables	9	12634.38	11125.62
(c) Other current liabilities	10	14980.40	9947.57
(d) Short-term provisions	11	387.63	447.32
		41749.35	39623.63
<b>TOTAL</b>		<b>80675.90</b>	<b>68282.86</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	34330.55	30460.31
(ii) Intangible Assets	12	173.55	180.09
(iii) Capital Work in Progress		3153.27	1911.07
(b) Non-current investments	13	1300.00	520.00
(c) Deferred tax assets	5	177.99	185.25
(d) Long term loans and advances	14	817.31	2654.94
(e) Other non-current assets	15	1599.56	1828.27
		41552.24	37739.92
<b>(2) Goodwill</b>		87.24	76.93
<b>(3) Current assets</b>			
(a) Inventories	16	12925.53	10922.35
(b) Trade receivables	17	18864.23	13848.28
(c) Cash and Bank Balances	18	752.51	1063.66
(d) Other current assets	19	6494.14	4631.72
		39036.42	30466.01
<b>TOTAL</b>		<b>80675.90</b>	<b>68282.86</b>

Significant Accounting Policies

1

As per our report attached

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

**R.K. Mehra**  
Partner  
M.No. 6102

**S.K. Arya**  
Chairman

**M. K. Aggarwal**  
Director

Place : New Delhi  
Dated : 28th May, 2012

**Nishant Arya**  
Director

**N. K. Goel**  
Chief Financial Officer & Company Secretary

## Statement of Consolidated Profit and Loss for the year ended 31st March, 2012

₹ in Lacs

	NOTE NO.	Year Ended 31 March, 2012	Year Ended 31 March, 2011
<b>I. Revenue from Operations</b>			
Gross Revenue from Operations	20	108233.36	82049.41
Less : Excise duty		11501.45	8870.26
Net Revenue from Operations		96731.91	73179.15
<b>II. Other income</b>	21	577.52	210.22
<b>III. Total Revenue (I+II)</b>		97309.42	73389.37
<b>IV. Expenses</b>			
Cost of Materials consumed		71247.47	52190.83
Changes in inventories of finished goods, work in progress	22	(1294.11)	112.43
Employee benefits expense	23	7471.48	5173.25
Finance Cost	24	3923.22	2038.26
Depreciation and amortization expense	12	3033.95	2265.62
Other expenses	25	8143.75	7867.55
<b>Total Expenses</b>		<b>92525.76</b>	<b>69647.95</b>
<b>V. Profit before tax (III-IV)</b>		4783.67	3741.42
<b>VI. Less: Tax Expense</b>			
- Earlier years		(17.29)	1.10
- Current year		1352.31	1179.13
- MAT Adjusted		(57.64)	0.00
- Deferred tax		307.14	76.31
		1584.53	1256.55
<b>VII. Profit after tax (before adjustment for Minority Interest) (V - VI)</b>		3199.13	2484.87
<b>VIII. Share of (Profit)/ Loss transferred to Minority Interest</b>		(611.56)	(333.05)
<b>IX. Profit after tax (after adjustment for Minority Interest) (VII - VIII)</b>		2587.58	2151.82
<b>Basic and Diluted earning Per Share (₹)</b>	<b>30</b>	<b>24.92</b>	<b>20.64</b>
<b>Nominal value of Equity Share (₹)</b>		<b>10.00</b>	<b>10.00</b>

As per our report attached

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

**R.K. Mehra**  
Partner  
M.No. 6102

**S.K. Arya**  
Chairman

**M. K. Aggarwal**  
Director

Place : New Delhi  
Dated : 28th May, 2012

**Nishant Arya**  
Director

**N. K. Goel**  
Chief Financial Officer & Company Secretary

# Consolidated Cash Flow Statement For The Year 2011-12

₹ in Lacs

	March, 2012	March, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	4783.67	3741.42
Adjustment for :		
Depreciation	3033.95	2265.62
Unrealised Exchange loss/(Gain) (Net)	81.56	(74.70)
Finance Cost	3677.95	1967.07
Interest income	(68.19)	(33.31)
Previous year adjustment in profits of Subsidiary and joint ventures	(174.18)	63.96
(Profit)/Loss on sale of assets (Net)	8.67	28.85
Bad Debts/Provision for Doubtful Debts	26.18	13.04
	6585.94	4230.52
<b>Operating Profit before Working Capital Changes</b>	11369.60	7971.95
Adjustment for :		
Trade and other receivables	(4536.23)	(4025.95)
Inventories	(2004.70)	(1759.44)
Trade and other liabilities	5979.05	4100.40
	(561.88)	(1684.99)
<b>Cash Generated From Operations</b>	10807.72	6286.95
Direct taxes paid (Net)	(1566.52)	(1360.41)
<b>Net Cash From Operating Activities</b>	9241.20	4926.54
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(9433.39)	(13262.12)
Proceeds from sale of fixed assets	1355.80	1809.20
Subsidy received from Government of Maharashtra	203.80	0.00
Interest received	68.19	33.31
Purchase of Investment	(780.00)	(220.00)
<b>Net Cash used in Investing Activities</b>	(8585.60)	(11639.61)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Loans	(276.51)	(1082.01)
Proceeds from Issue of Shares to Minority	215.60	494.90
(Increase)/Decrease in Foreign Currency Monetary item translation difference a/c	0.00	10.25
Proceeds from Long term loans	7197.06	2284.87
Increase/(Decrease) in Short Term loans	(4356.20)	7123.39
Interest paid	(3463.14)	(2284.60)
Dividend Paid	(283.56)	(191.29)
<b>Net cash flow from financing activities</b>	(966.74)	6355.51
<b>Net Increase / (Decrease) in Cash and Bank balance</b>	(311.15)	(357.56)
<b>Cash and cash equivalents (Opening Balance)</b>	1063.66	1421.22
<b>Cash and cash equivalents (Closing Balance )</b>	752.51	1063.66

**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 and ₹ 4.43 Lacs (Previous Year ₹ 3.65 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Figures in bracket represents cash outflow

As per our report attached

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

**R.K. Mehra**  
Partner  
M.No. 6102

Place : New Delhi  
Dated : 28th May, 2012

**S.K. Arya**  
Chairman

**Nishant Arya**  
Director

**M. K. Aggarwal**  
Director

**N. K. Goel**  
Chief Financial Officer & Company Secretary

# Notes Forming Part of Consolidated Financial Statements

## Note 1: Significant Accounting Policies

### 1. BASIS OF CONSOLIDATION

The consolidated financial statements related to JBM Auto Limited (the Company) and its subsidiaries and Joint Ventures. The accounts are prepared on historical cost basis and in accordance with the applicable accounting standards and other applicable relevant statutes.

#### A. BASIS OF ACCOUNTING

- i. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2012.
- ii. The financial statements of the Company and subsidiary companies have been prepared in accordance with the applicable Accounting Standards and generally accepted accounting principles.

#### B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the applicable Accounting Standards on the following basis:-

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 –“Consolidated Financial Statements” as notified under Companies Accounting Standard Rules, 2006.
- ii. The Financial statement of Joint Venture Company have been combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profit or losses in accordance with Accounting Standard (AS) 27 on “Financial Reporting of Interest in Joint Ventures’ as notified under Companies Accounting Standard Rules, 2006.
- iii. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company’s separate Financial Statements except as otherwise disclosed in the Notes to Accounts.
- iv. The excess of the cost to the Company of its Investment in Subsidiaries and Joint Venture over its share/proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the Financial Statements as Goodwill. In case the cost of investment in a Subsidiary or Joint Venture is less than the share/proportionate share in the equity of the investee as on the date of the Investment, the difference is treated as Capital Reserve. Goodwill/Capital Reserve measured as above of more than one subsidiary, have not been netted off for the purpose of consolidation.
- v. Minority interest’s share of net profit/Loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- vi. Minority interest’s share of Net Assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and the equity of the company’s shareholders.

#### C. OTHER SIGNIFICANT ACCOUNTING POLICIES

##### i) DEPRECIATION/ AMORTIZATION

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 except in case of pallets on which depreciation is provided @ 12.5% p.a., as per management’s estimate. Leasehold land, for a period less than 90 years, is amortized over the remaining period of lease from the date of commissioning of plant and Computer Software is amortized @ 33.33% p.a.

## Notes Forming Part of Consolidated Financial Statements

Depreciation has been provided on Straight Line method for some subsidiaries and joint venture companies as follows:

Assets	Depreciation rates
Building	Depreciated @5.00% p.a.
Plant & Machinery	Depreciated @12.50% p.a.
Computer	Depreciated @ 20.00% and 33.33% p.a Straight Line Method.
Office Equipment	Depreciated @ 33.33% p.a Straight Line Method.
Furniture & Fixture	Depreciated @ 33.33% p.a Straight Line Method.
Vehicle	Depreciated @ 25% and 33.33% p.a Straight Line Method.
Tools & Dies	Depreciated over the Estimated Useful life
Software	Software is charged to revenue in the year of purchase/ Depreciated on a prorata the period of license for use or Where is integral to the computer system over the period of life to the computer system
Plant Supervision Cost	Amortized over the period of 5 years.
Pallets	Depreciated @ 25.00 % p.a.

- ii. Other policies are set out under “Significant Accounting Policies” as given in the respective Financial Statements of the Company, Subsidiaries and its Joint Venture.

### Note 2 : Share Capital

₹ in Lacs

		March, 2012	March, 2011
A.	Authorised		
	1,50,00,000 Equity Shares of ₹10/- each	1500.00	1500.00
	50,00,000 Preference Shares of ₹ 10/- each	500.00	500.00
		2000.00	2000.00
B.	Issued, Subscribed and Paid Up		
	1,01,98,841 (P.Y. 1,01,98,841) Equity Shares of ₹ 10/- each, fully paid up*	1019.88	1019.88
	50,00,000 (P.Y. 50,00,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each [Redeemable after 6 years from the date of issue i.e. 26th December, 2009]	500.00	500.00
		1519.88	1519.88

\* Includes 3399614 Equity Shares of ₹ 10/- each, issued as Bonus Shares in F.Y. 2007-08 out of Free Reserves.

The Company has only one class of Equity Shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

In F.Y. 2009-10, the Company issued 50,00,000 (Fifty Lacs) Non Cumulative Redeemable Preference Share of ₹ 10/- (Rupees Ten only) each at a premium of ₹ 50/- (Rupees Fifty only) per share. Preference Share carry non cumulative dividend @ 8% p.a and do not have voting rights. All preference shares are redeemable after six years from the date of issue i.e 26th December, 2009. In the event of liquidation of the Company, the holders of preference shares will have priority over equity shares in payment of dividend and repayment of capital.



## Notes Forming Part of Consolidated Financial Statements

### Note 3: Reserves And Surplus

₹ in Lacs

		March, 2012	March, 2011
A.	Capital Reserve		
	As per last Balance Sheet	1161.06	1161.06
	Add: On Consolidation of Subsidiaries	203.80	0.00
		1364.85	1161.06
B.	Securities Premium Account	3505.67	3505.67
		3505.67	3505.67
C.	General Reserve		
	As per last Balance Sheet	275.00	110.65
	Add : Transferred from Surplus balance	40.00	164.35
		315.00	275.00
D.	Surplus		
	As per last Balance Sheet	5513.06	3643.46
	Previous year adjustment in profits of Subsidiary and Joint Ventures	(78.11)	88.75
	Add:- Profit after tax for the current Financial Year	2587.58	2151.82
	Add: Transfer to Goodwill	10.31	76.93
	Less: Proposed Dividend		
	- Preference Shares	40.00	40.00
	- Equity Shares*	152.98	203.98
	Less: Dividend Tax		
	- Preference Shares	6.49	6.49
	- Equity Shares	24.82	33.09
	Less: Transferred to General Reserves	40.00	164.35
	Balance carried to Balance Sheet	7768.54	5513.06
		12954.07	10454.78

\* @ ₹ 1.5/- per share (P.Y. ₹ 2/- Per Share)

### Note 4 : Long Term Borrowings

A.	SECURED		
	Term Loans From Banks		
	-In Foreign Currency*	4794.37	0.00
	-In Rupee**	10130.61	9742.21
	Vehicle Loan from banks***	13.32	15.05
	From Others	564.93	582.93
		15503.23	10340.18
B.	UNSECURED		
	Inter Corporate deposits		
	-From Related parties	1370.00	1380.00
	-From others	530.00	530.00
		1900.00	1910.00
		17403.23	12250.18

## Notes Forming Part of Consolidated Financial Statements

\* ₹ 1868.57 Lacs Secured by First Pari Passu charge on the current assets of the Company (Excluding those from Sanand, Gujrat unit) and by Second Pari Passu charge on the Moveable and Immovable fixed assets of the Greater Noida, Uttar Pradesh and Faridabad, Haryana unit of the Company.

\*\* Term Loan of ₹ 1620.00 /-Lacs is secured by first pari passu charge on the entire moveable fixed assets including plant & machinery situated at Sanand, Gujrat unit of the company and by first pari passu charge by way of equitable mortgage on the immovable property situated at Nashik, Maharashtra unit of the company . The Term Loan of ₹ 4867.00/- Lacs is secured by first pari passu charge by way of Equitable Mortgage of leasehold land situated at Sanand, Gujrat subleased by Tata Motors Limited & on the moveable fixed assets including plant & machinery situated at Sanand unit of the Company

\*\*\* Secured by hypothecation of specific Vehicles.

Term of Repayment of Loan	₹ In Lacs	No. of Quarterly installments	Balance Installments	Rate of Interest
Foreign Currency Loan	2299.78	16	16	3Months USD LIBOR Linked rate
ECB	3120.86	16	16	3Months USD LIBOR Linked rate
Rupee Loan	4867.00	20	20	BPLR Linked rate
Rupee Loan	1620.00	20	18	BPLR Linked rate
Rupee Loan	42.54	20	14	BPLR Linked rate
Rupee Loan	1900.00	24	20	BPLR Linked rate
Rupee Loan	1500.00	23	23	BPLR Linked rate

Vehicle loan from Banks are payable in 36 Monthly equal installments from the date of disbursement

### Note 5: Deferred Tax Liability (Net)

₹ in Lacs

	March, 2012	March, 2011
1)Deferred Tax liability		
- Difference between book depreciation & depreciation under Income Tax Act 1961.	2467.65	1088.90
-Closing balance of Excise Duty	269.89	290.93
2)Deferred Tax Assets		
-Provision for Doubtful debts	(2.44)	(2.30)
-Claim under Sec43 (B) of Income tax Act	(70.43)	(229.93)
Deferred Tax asset on Unabsorbed losses	(1306.00)	0.00
3)Net Deferred Tax liability (1-2)	1358.68	1147.60

### Note 6 : Other Long Term Liabilities

Deferred payments	1573.39	15.84
	1573.39	15.84

### Note 7 : Long Term Provision

Provision for Leave encashment	26.46	0.00
	26.46	0.00

## Notes Forming Part of Consolidated Financial Statements

### Note 8 : Short Term Borrowings

₹ in Lacs

	March, 2012	March, 2011
<b>SECURED</b>		
Loans from Banks		
- Cash Credit*	2986.75	6065.75
-Working Capital Demand Loans*	5814.81	5925.21
- Buyers credit / External Commercial Borrowing**	1858.52	2580.83
From Others	0.00	1984.73
<b>UNSECURED</b>		
Loans from Banks		
-Working Capital Loan ***	2812.87	1546.61
Inter Corporate Deposit	273.98	0.00
	<b>13746.93</b>	<b>18103.13</b>

\* Includes ₹ 2374.44/- Lacs Cash credit and ₹ 4550.00 /-Lacs WC DL, Secured by hypothecation on pari passu interse between banks by way of first charge on current assets of the company (excluding current assets of Sanand, Gujarat unit) and by way of second charge on entire fixed assets of the company both present and future. Facility of ₹ 600 Lacs is secured by exclusive first charge on the entire current assets of Sanand, Gujrat unit of the Company and second charge on movable fixed assets including plant and machinery at Sanand, Gujrat unit of the Company, both present and future, further secured by second paripassu by way of equitable mortgage on immovable property situated at Nashik, Maharashtra unit of the Company.

\*\* Includes ₹ 1184.97/- Buyers credit / External Commercial Borrowings are secured by guarantee of indian Banks.

\*\*\* It represents bills discounted by bankers

<b>Note 9 : Trade Payable</b>	12634.38	11125.62
	<b>12634.38</b>	<b>11125.62</b>

### Note 10 : Other Current Liabilities

Current maturities of Long term borrowings	3573.77	1586.86
Interest accrued but not due on borrowings	440.03	257.28
Interest accrued and due on borrowings	130.42	0.24
Unclaimed Dividends	4.43	3.65
	<b>4148.65</b>	<b>1848.03</b>
Other Payables		
Payable for capital goods	2125.16	2283.89
Statutory Dues Payable	644.41	925.41
Employee related Liabilities	490.87	300.48
Advance from customers	6142.57	3743.17
Others	1428.75	846.59
	<b>10831.76</b>	<b>8099.54</b>
	<b>14980.40</b>	<b>9947.57</b>

## Notes Forming Part of Consolidated Financial Statements

### Note 11 : Short Term Provisions

₹ in Lacs

	March, 2012	March, 2011
Provision for employee benefits	120.00	63.28
Provision for Proposed Dividend		
- Preference Shares	40.00	40.00
- Equity Shares	152.98	203.98
Provision for Dividend Tax on Proposed Dividend	31.31	39.58
Provision for income Tax	13.00	6.45
Provision for wealth tax	30.35	0.00
Others	0.00	94.03
	<b>387.63</b>	<b>447.32</b>

## Notes Forming Part of Consolidated Financial Statements

### Note 12 : Fixed Assets

₹ in Lacs

Description	Gross Block					Depreciation			Net Block		
	As at 01.04.2011	Additions during the year	Other Adjustments*	Sale/ adjustment during the year	Total as at 31.03.2012	As at 01.04.2011	For the year	Written Back/ Adjustment on sales	Total as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>											
Land (Freehold)	254.93	-	-	-	254.93	-	-	-	-	254.93	254.93
Land (Lease Hold)	4508.37	26.67	(0.33)	646.71	3887.99	169.63	47.58	(0.02)	217.24	3670.76	4338.73
Building	6578.59	1081.57	17.92	31.25	7646.83	916.51	288.08	18.43	1186.15	6460.67	5662.08
Plant & Machinery	37878.00	6856.04	93.12	967.23	43859.93	18215.07	2501.83	291.49	20425.42	23434.51	19662.93
Furniture & Fixtures,	189.15	6.58	(0.01)	20.19	175.53	104.25	13.28	13.21	104.31	71.22	84.91
Office Equipments	535.09	66.89	(0.02)	32.83	569.13	277.55	63.66	18.28	322.93	246.20	257.54
Vehicles	318.12	44.04	-	38.63	323.52	118.92	44.60	32.27	131.26	192.27	199.19
<b>Total Tangible Assets</b>	<b>50262.25</b>	<b>8081.78</b>	<b>110.69</b>	<b>1736.85</b>	<b>56717.86</b>	<b>19801.93</b>	<b>2959.04</b>	<b>373.66</b>	<b>22387.31</b>	<b>34330.55</b>	<b>30460.31</b>
<b>Intangible Assets</b>											
Computer Software	297.71	69.66	-	-	367.36	117.62	74.91	(1.28)	193.81	173.55	180.09
<b>Total</b>	<b>50559.95</b>	<b>8151.44</b>	<b>110.69</b>	<b>1736.85</b>	<b>57085.22</b>	<b>19919.55</b>	<b>3033.95</b>	<b>372.38</b>	<b>22581.12</b>	<b>34504.10</b>	<b>30640.40</b>
<b>Previous Year</b>	<b>39627.52</b>	<b>12877.56</b>	<b>252.54</b>	<b>2197.67</b>	<b>50559.95</b>	<b>18013.55</b>	<b>2265.62</b>	<b>359.62</b>	<b>19919.55</b>	<b>30640.40</b>	<b>21613.97</b>
<b>Capital Work in Progress</b>										<b>3153.27</b>	<b>1911.07</b>

**Notes:**

\* Other Adjustments includes ₹ 12.57 Lacs (P.Y. ₹ 14.00 Lacs) on account of Exchange Fluctuation and ₹ 98.12 Lacs (P.Y. ₹ 252.54 Lacs) on account of Interest cost

1. The Lease hold Land at Faridabad is yet to be registered in the name of the Company. The Company has obtained "No Objection Certificate" from lessor to get registration of same in the name of the Company.
2. Lease hold land includes land at Singur in West Bengal and Land at Bhiwadi in Rajasthan which are yet to be registered in the name of the company.

## Notes Forming Part of Consolidated Financial Statements

### Note 13 : Non Current Investments

₹ in Lacs

	March, 2012	March, 2011
<b>TRADE- UNQUOTED (fully paid up) at Cost</b>		
<b>Investment in Equity Instrument</b>		
267,000 (P.Y.-267000)Equity Shares of ₹ 10/- each fully paid up in Pitampura Auto Cluster Limited	13.35	13.35
<b>Investment in Preference Shares</b>		
57,33,000(P.Y.- 3733000) 4% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Pitampura Auto Cluster Limited	286.65	186.65
<b>Share Application Money</b>		
-Pitampura Auto Cluster Limited	0.00	100.00
-Yorozu Corporation	1000.00	220.00
	<b>1300.00</b>	<b>520.00</b>

### Note 14 : Long Term Loans And Advances

(Unsecured, considered good)		
Capital advances	378.67	2258.93
Security Deposit	138.63	142.01
Other Loans & Advances	300.00	254.00
	<b>817.31</b>	<b>2654.94</b>

### Note 15 : Other Non Current Assets

(Unsecured, considered good)		
Hedging Gain Recoverable	185.03	1.86
Others (Refer Note no-41)	1414.53	1826.41
	<b>1599.56</b>	<b>1828.27</b>

### Note 16 : Inventories

Raw material	7358.24	6771.82
Work in process	4590.01	3425.92
Stores & spares	228.31	152.55
Scrap	137.70	92.59
Finished Goods	611.27	479.47
	<b>12925.53</b>	<b>10922.35</b>

### Note 17 : Trade Receivables

(Unsecured )		
Debts outstanding for more than six months		
- Considered good	589.97	675.44
- Considered doubtful	9.93	7.51
	<b>599.90</b>	<b>682.95</b>
Less: provision for doubtful debts	9.93	7.51
	<b>589.97</b>	<b>675.44</b>
Other debts, considered good	18274.26	13172.84
	<b>18864.23</b>	<b>13848.28</b>

## Notes Forming Part of Consolidated Financial Statements

### Note 18: Cash And Bank Balance

₹ in Lacs

		March, 2012	March, 2011
<b>A</b>	<b>Cash and Cash Equivalents</b>		
	Cash in hand	11.38	7.17
	Balances with Banks		
	- In current account	697.45	1010.58
	- In Unpaid Dividend account	4.43	3.65
	Deposits for less than 3 Months Maturity	31.99	19.64
<b>B</b>	<b>Other Bank balances</b>		
	In Fixed Deposit account ( 3-12 Months Maturity)*	7.28	22.62
		752.51	1063.66

\* Under Bank's lien and includes Interest Accrued ₹ 2,98,451 /-(P.Y. ₹ 2,79,074/-) there on

### Note 19 : Other Current Assets

Loans & advances		
(Unsecured ,considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 41)	983.66	924.29
Advance to suppliers		
- Considered good	2431.73	817.18
- Considered doubtful	0.42	0.42
Less: Provision for doubtful advance	(0.42)	(0.42)
Security deposits	57.43	30.62
MAT Credit Available	57.64	0.00
Advance income tax	490.57	194.89
Balance of Modvat/ Cenvat	2144.78	2576.87
Sales Tax/VAT Recoverable	286.43	87.87
Hedging Gain recoverable	41.92	0.00
	6494.14	4631.72

### Note-20 Revenue From Operations

Sale of Products	95301.99	72653.72
Sale of Services	672.21	665.50
Other Operating Revenue	12259.15	8730.19
Gross Revenue from Operations	108233.36	82049.41

### Note 21 : Other Income

Interest {TDS ₹ 581312/- (P.Y. ₹ 57458/-)}	68.19	3.61
Profit on Sale of Fixed Assets (Net)	465.24	12.10
Dividend	0.00	31.45
Miscellaneous Income	44.08	163.06
	577.52	210.22

## Notes Forming Part of Consolidated Financial Statements

### Note 22 : Increase/(Decrease) In Stocks

₹ in Lacs

	March, 2012	March, 2011
<b>Opening Stocks* :</b>		
Work in process	3382.03	3685.92
Finished goods	527.39	331.90
	3909.41	4017.82
<b>Less : Closing Stocks :</b>		
Work in process	4284.02	3425.92
Finished Goods	919.51	479.47
	5203.52	3905.39
Increase/ (Decrease) in Stocks	(1294.11)	112.43

\* Includes ₹ (402497/-)(P.Y ₹ 47233/-) on account of difference of Unaudited and Audited Financial statements of Previous year of Subsidiaries and Joint Ventures

### Note 23 : Employee Benefits Expense

Salaries & wages	6388.47	4500.32
Contribution to ESI, PF and other funds	344.21	231.07
Staff welfare	738.79	441.86
	7471.48	5173.25

### Note 24 : Finance Cost

Interest to Banks		
-on term loans	1970.21	777.06
- on others	1707.73	1189.01
Other Financial Charges	68.89	48.42
Applicable net Gain/Loss on foreign currency transactions and translation	176.39	23.77
	3923.22	2038.26

### Note 25 : Other Expenses

Stores consumed	988.12	1126.86
Manufacturing expenses	1700.68	1885.27
Power & fuel	1537.32	1181.85
Packing Material	544.10	674.00
Machinery repairs and maintenance	852.69	663.53
Rent (including land lease rent)	119.46	61.11
Rates & taxes	103.48	91.61
Insurance	32.62	31.20
Repair & maintenance		
-Building	117.63	50.04
-Others	136.06	132.22
Bad Debts written off	26.18	13.04
Loss on sale of assets/written off (Net)	8.67	28.86
Provision for Bad & Doubtful Debts	2.42	7.08
Freight & Forwarding charges	714.06	991.91
Exchange fluctuation(Net)	184.10	50.24
Miscellaneous expenses *	1076.15	878.73
	8143.75	7867.55

\* Includes (₹ 151306/-) (P.Y. ₹ 7,29,427/-) on account of Excise Duty Provision on change in stock of Scrap.



## Notes Forming Part of Consolidated Financial Statements

### Note: 26 The Subsidiaries Considered In The Consolidated Financial Statements

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
JBM Ogihara Automotive India Limited	India	51.00 %
JBM Auto System Private Limited	India	73.89 %

### Note: 27 The Joint Ventures Considered In Consolidated Financial Statements

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
JBM MA Automotive Private Limited	India	50.00 %
Indo Toolings Private Limited	India	50.00 %

### Note: 28

In view of different sets of environment in which the subsidiaries/joint ventures are operating, the accounting policies followed by the subsidiaries/joint ventures are different from the accounting policies of the company in respect of following.

Particulars	Name of Joint venture/ Subsidiaries	Accounting Policies	
		JBM Auto Ltd.	Subsidiaries/Joint Venture
Inventory			
	JBM MA AUTOMOTIVE PVT. LTD	Inventories are valued at the lower of Cost as per FIFO Method or NRV.	Inventories are valued at the lower of Weighted Average Cost or NRV
	JBM AUTO SYSTEM PVT. LTD	Inventories are valued at the lower of Cost as per FIFO Method or NRV	Inventories are valued at the lower of Weighted Average Cost or NRV

### Note: 29

In respect of jointly controlled Entities, the Company's share of Assets, Liabilities, income and expenditure of the joint venture companies are as follows:

₹ in Lacs

Particulars	2012	2011
<b>Assets</b>		
Fixed Assets	8758.92	9207.88
Non- Current Investments	300.00	300.00
Non-Current Assets	21.43	11.85
Current Assets	6748.26	4256.10
Deferred Tax Asset	79.25	185.25
<b>Liabilities</b>		
Non-Current Liabilities and Provisions	3715.40	2345.68
Short term Borrowings	3359.89	4027.13
Current Liabilities and Provisions	5502.05	4611.00
<b>Income</b>	13640.95	8257.52
<b>Expenses</b>	13495.15	8380.29

## Notes Forming Part of Consolidated Financial Statements

- The assets & liabilities and Income & Expenditure given above are on the basis of unaudited financial results of JBM MA Automotive Pvt. Ltd. and of Indo Tooling Pvt. Ltd.

### Note: 30 Earning Per Share

Particulars		2012	2011
a)	Profit after tax as per Profit & Loss account (₹ In Lacs)	2587.58	2151.82
b)	Preference dividend and dividend tax thereon (₹ In Lacs)	46.49	46.49
c)	Net profit available for equity share holders (₹ In Lacs)	2541.09	2105.33
	Total Equity Shares (No's)	10198841	10198841
	Basic/Diluted Earnings per Share (₹)	24.92	20.64

### Note: 31 Detail Of Shareholders Holding More Than 5% Share Capital As On The Balance Sheet Date

Name of Shareholders	31.03.2012		31.03.2011	
	No. of Shares held	% held in Shareholding	No. of Shares held	% held in Shareholding
I) Equity Shares of ` 10 each fully paid				
SMC CREDITS LIMITED	1892565	18.56%	1892505	18.56%
A to Z SECURITIES LIMITED	1047540	10.27%	1047540	10.27%
ZEAL IMPEX & TRADERS PRIVATE LIMITED	1004742	9.85%	1004742	9.85%
AMITY INFOTECH PRIVATE LIMITED	1000000	9.81%	1000000	9.81%
SHUKLAMBER EXPORTS LIMITED	856206	8.40%	856206	8.40%
JBM BUILDERS PVT LIMITED	757708	7.43%	757708	7.43%
NAP INVESTMENT & LEASING PVT LTD	568654	5.58%	568654	5.58%
ANS HOLDING PRIVATE LIMITED	514749	5.05%	514749	5.05%
II) Preference Shares of ` 10 each fully paid				
NEEL METAL PRODUCTS LIMITED	5000000	100%	5000000	100%

### Note: 32 Contingent Liabilities

₹ in Lacs

		2012	2011
i)	Letter of Credit outstanding	4817.25	1189.62
ii)	Guarantees issued by the Bank on behalf of the Company	1055.86	1009.91
iii)	Claims against the Company not acknowledged as debt	726.85	486.74

### Note: 33

Estimated amount of contracts remaining to be executed on capital account (Net of advances) not provided for ₹ 1699.38/- Lacs (P.Y. ₹ 3780.36/- Lacs).

## Notes Forming Part of Consolidated Financial Statements

### Note: 34 Auditor's Remuneration

The break- up of auditor's remuneration is as under:

₹ in Lacs

		2011-12	2010-11
i	Audit fee	27.41	20.68
ii	Tax audit fees	5.00	3.50
iii	Taxation matter	2.35	-
iv	Others	7.49	6.37

### Note:35 Segment Information

#### i) Primary Segment Reporting

A. Primary business segments of the company are as under:

- Sheet Metal Components, Assemblies & Sub-assemblies - Segment manufactures components etc.
- Tool, Dies & Moulds: Segment manufactures Dies for Sheet Metal Segment or sells Dies.
- Special Purpose Vehicle: Segment assembles and fabricates bodies of heavy vehicles

B. Inter Segment Transfer Pricing

Inter Segment Prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimization objective for the companies.

#### ii) Segment Revenues, Results and other information:

₹ in Lacs

	Sheet Metal Components, Assemblies & sub-assemblies		Tools, dies & Moulds		Special Purpose Vehicle		Total of Reportable Segments	
	2012	2011	2012	2011	2012	2011	2012	2011
External Sales	90184.29	66905.15	6325.71	5446.63	221.90	827.37	96731.90	73179.14
Inter Segment Sales	34.20	26.36	-	15.05	-	-	34.20	41.41
Other Income	513.55	203.76	59.59	-	4.38	6.46	577.52	210.22
Segment Revenues	90732.04	67135.27	6385.31	5461.68	226.28	833.82	97343.62	73430.78
Segment Results	8011.59	5229.05	980.32	1052.67	(47.64)	(84.81)	8944.27	6196.91
Segment Assets	62419.99	49131.35	6632.45	7680.59	988.51	1379.31	70040.96	58191.26
Segment Liabilities	24428.02	14303.69	3423.25	4693.30	151.14	307.44	28002.42	19304.43
Capital Expenditure	9415.91	13591.70	88.42	57.39	-	0.24	9504.33	13649.32
Depreciation/ Amortisation	2880.15	2122.61	139.98	126.92	13.83	16.08	3033.95	2265.62

## Notes Forming Part of Consolidated Financial Statements

### Reconciliation of Reportable Segment with the Financial Statements:

₹ in Lacs

	Revenues		Results/ Net Profit		Assets		Liabilities	
	2012	2011	2012	2011	2012	2011	2012	2011
Total Reportable Segments	97343.62	73430.78	8944.27	6196.91	70040.96	58191.26	28002.42	19304.43
Inter segment sales/ Adjustments	(34.20)	(41.41)	-	-	-	-	-	-
Corporate unallocated/ Others (Net)	-	-	(4,160.60)	(2,455.49)	10,456.95	9906.35	32750.01	32,585.22
Taxes/ Deferred Tax	-	-	(1,584.53)	(1,256.55)	177.99	185.25	1536.67	1332.85
As per Financial statements	97309.42	73389.37	3199.14	2484.87	80675.90	68282.86	62289.10	53222.50

The Company is mainly engaged in business in India and exports are not material. Hence in the context of Accounting Standard 17-“Segment Reporting” it is considered the only reportable segment.

### Note: 36

The Company Uses Derivative Contracts To Hedge The Interest Rates And Currency Risk On Its Capital Account. The Company Does Not Use These Contracts For Trading Or Speculative Purpose.

#### i. Derivative contracts remaining outstanding as on 31.03.2012

Nos of Contracts		Equivalent Foreign Currency (In Lacs)		INR Equivalents ( ₹ In Lacs)	
2012	2011	2012	2011	2012	2011
-	9	-	2547.08 JPY	-	1413.57
1	5	44.69 USD	16.54 USD	2076.23	758.64

#### ii. Foreign currency exposures that have not been hedged by derivative instruments are given below.

(Figures in Lacs)

Liabilities	As at March 31, 2012	As at March 31, 2011
In Euros (€)	2.77	0.07
(Equivalent approximate in INR)	189.18	4.73
In US Dollar (\$)	28.34	20.75
(Equivalent approximate in INR)	1475.83	934.10
In SEK (kr)	0.24	0.89
(Equivalent approximate in INR)	1.84	6.42
In JPY ( ¥)	41.25	55.74
(Equivalent approximate in INR)	79.21	30.10

#### Assets

In Euros (€)	3.94	7.98
(Equivalent approximate in INR)	270.38	505.01
In US Dollar (\$)	-	0.20
(Equivalent approximate in INR)	-	9.11

## Notes Forming Part of Consolidated Financial Statements

### Note: 37 Retirement Benefits

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

#### i) Provident Fund

During the year the Company has recognized the following amounts in the Profit and Loss account:

₹ in Lacs

	2012	2011
Employer's Contribution to Provident Fund*	231.32	175.93

#### ii) State Plans

During the year the Company has recognized the following amounts in the profit and loss accounts:

₹ in Lacs

	2012	2011
Employer's contribution to Employee State Insurance*	73.33	54.22
Employer's contribution to Welfare Fund*	0.54	0.92

\*included in contribution to Provident and other funds under Employee Remuneration and Benefits (Refer Note no. 23).

#### iii) Defined Benefit Plans

- Contribution to Gratuity Fund – Employee's Gratuity Fund.
- 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	2012		2011	
		Leave Encashment/ Compensated Absence	Employee Gratuity Fund	Leave Encashment/ Compensated Absence	Employee Gratuity Fund
	Discount Rate (per annum)	8.75%	8.75%	8.50%	8.50%
	Rate of increase in compensation levels	5%	5%	5%	5%
	Rate of return on plan assets	N.A	9.25%	N.A	9.15%
	Expected Average remaining working lives of employees (years)	23.59	23.59	23.88	23.88
(₹ in Lacs)					
ii)	Change in the obligation during the year ended 31st March, 2012				
	Present value obligation as at 31st March, 2011	33.33	121.62	35.78	91.16
	Interest cost	3.69	9.76	2.49	7.02
	Past Service cost	-	-	-	-
	Current service cost	30.78	19.57	19.78	16.72
	Curtailement cost	-	-	-	-
	Settlement cost	-	-	-	-
	Benefit paid	(8.82)	(10.60)	(24.92)	(8.95)
	Actuarial (gain)/loss on Obligations	(8.76)	3.46	0.20	15.67
	Present value obligation as at 31st March, 2012	50.22	143.81	33.33	121.62

## Notes Forming Part of Consolidated Financial Statements

iii)	Change in fair value plan Assets	Leave Encashment/Compensated Absence	Employee Gratuity Fund	Leave Encashment/Compensated Absence	Employee Gratuity Fund
	Fair value of Plan Assets as at 31st March, 2011	-	166.91	-	120.87
	Expected return on Plan Assets	-	16.36	-	11.96
	Contributions	-	23.73	-	38.30
	Withdrawals	-	(3.85)	-	(2.46)
	Actuarial gain/(loss) on Obligations	-	(0.11)	-	(1.76)
	Fair value of Plan Assets as at 31st March, 2012	-	203.04	-	166.91
<b>iv)</b>	<b>Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets</b>				
	Present value obligation as at 31st March, 2012	50.22	143.81	33.33	121.62
	Fair value of Plan Assets as at 31st March, 2012	-	203.04	-	166.91
	Funded Status	-	59.23	-	45.29
	Present value of unfunded obligation as at 31st March, 2012	-	-	-	-
	Unfunded Actuarial (gains)/Losses	-	-	-	-
	Unfunded Net Asset/(Liability) recognized in Balance Sheet	(50.22)	-	(33.33)	-
<b>v)</b>	<b>Expenses recognized in Profit and Loss Account</b>				
	Current service cost	30.78	19.57	19.78	16.72
	Past Service cost	-	-	-	-
	Interest cost	3.69	9.76	2.49	7.01
	Expected return on Plan Assets	-	(16.36)	-	(11.96)
	Curtailment cost	-	-	-	-
	Settlement cost	-	-	-	-
	Net Actuarial (gain)/loss recognized during the year	(8.76)	3.57	0.20	17.43
	Total Expense recognized in Profit and Loss Account	25.72	16.54	22.47	29.20

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

## Notes Forming Part of Consolidated Financial Statements

### NOTE: 38

i) Expansion project at Greater Noida unit and Faridabad unit of the Company capitalized on 31st July 2011 and 17th October 2011 respectively.

The pre-operative expenses have been capitalized as per the details hereunder:

(₹ in Lacs)

Expenditure	Greater Noida	Faridabad	Total
Manufacturing Expenses	5.00	0.43	5.43
Employee Cost	19.55	90.35	109.90
Interest and Bank Charges	37.41	114.38	151.79
<b>Total</b>	<b>61.96</b>	<b>205.16</b>	<b>267.12</b>

ii) Second phase of project of JBM Ogihara Automotive India Limited commenced commercial production from 5th September 2011 and First Phase of project was commenced the production last year dated 30th November 2010:

The pre-operative expenses have been capitalized as per the details hereunder:

(₹ in Lacs)

Expenditure	Phase-II	Phase-I
Manufacturing Cost	6.49	107.92
Employee Cost	11.62	266.52
Administrative Cost	-	252.05
Finance Cost	-	88.78
<b>Total</b>	<b>18.11</b>	<b>715.28</b>

### Note: 39 Statement Of Transactions With Related Parties

Enterprises over which Key Management Personnel and their relative are able to exercise significant influence	Joint Venturer	Key Management personnel and their relatives
JBM Industries Limited	Ogihara (Thailand) Co. Ltd	Mr. S.K Arya, Chairman
Neel Metal Products limited	MA SPA	Mr. H.R. Saini, Executive Director
Jay Bharat Maruti Limited		Mr. Pramod Manglik, CEO Cum Director
Gurera Industries Limited		Mr. Rajesh Sahay, CEO
Neel Industries Private Limited		

## Notes Forming Part of Consolidated Financial Statements

	2011-12			2010-11		
	(₹ in Lacs)					
	Enterprise over which key management personnel and their relative are able to exercise significance influence / Venturer	Key Management personnel and their relatives	Total	Enterprise over which key management personnel and their relative are able to exercise significance influence/ Venturer	Key Management personnel and their relatives	Total
<b>Purchase of capital goods</b>						
Neel Metal Products Ltd.	39.66	-	39.66	200.21	-	200.21
Ogihara (Thailand) Co. Ltd.	6.47	-	-	-	-	-
<b>Total</b>	<b>46.13</b>	<b>-</b>	<b>46.13</b>	<b>200.21</b>	<b>-</b>	<b>200.21</b>
<b>Sale of Goods &amp; Job work</b>						
Neel Metal Products Ltd.	2411.14	-	2411.14	1826.79	-	1826.79
Jay Bharat Maruti Ltd.	1565.76	-	1565.76	1868.35	-	1868.35
JBM Industries Ltd.	552.12	-	552.12	439.26	-	439.26
Others	-	-	-	8.32	-	8.32
<b>Total</b>	<b>4529.02</b>	<b>-</b>	<b>4529.02</b>	<b>4142.72</b>	<b>-</b>	<b>4142.72</b>
<b>Sale of Capital goods</b>						
Neel Metal Products Ltd.	25.02	-	25.02	-	-	-
JBM Industries Ltd.	37.40	-	37.40	15.54	-	15.54
<b>Total</b>	<b>62.42</b>	<b>-</b>	<b>62.42</b>	<b>15.54</b>	<b>-</b>	<b>15.54</b>
<b>Purchase of the goods</b>						
Neel Metal products Limited	3430.67	-	3430.67	3620.55	-	3620.55
Jay Bharat Maruti Ltd.	680.56	-	680.56	500.18	-	500.18
JBM Industries Ltd.	36.73	-	36.73	101.58	-	101.58
MA SPA	-	-	-	415.37	-	415.37
Others	-	-	-	8.97	-	8.97
<b>Total</b>	<b>4147.96</b>	<b>-</b>	<b>4147.96</b>	<b>4646.65</b>	<b>-</b>	<b>4646.65</b>
<b>Interest paid</b>						
JBM Industries Ltd.	14.72	-	14.72	12.78	-	12.78
Neel Metal Products Ltd.	179.15	-	179.15	147.93	-	147.93
<b>Total</b>	<b>193.87</b>	<b>-</b>	<b>193.87</b>	<b>160.71</b>	<b>-</b>	<b>160.71</b>
<b>Others Expenses</b>						
Gurera Industries Ltd.	3.00	-	3.00	17.04	-	17.04
Neel Metal Products Ltd.	48.66	-	48.66	32.15	-	32.15
JBM Industries limited	26.04	-	26.04	12.00	-	12.00
Ogihara (Thailand) Co. Ltd.	88.26	-	88.26	158.90	-	158.90
<b>Total</b>	<b>227.43</b>	<b>-</b>	<b>227.43</b>	<b>220.09</b>	<b>-</b>	<b>220.09</b>
<b>Other Income</b>						



## Notes Forming Part of Consolidated Financial Statements

Neel Metal Products Ltd	26.88	-	26.88	-	-	-
<b>Total</b>	<b>26.88</b>	<b>-</b>	<b>26.88</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Managerial Remuneration</b>						
Mr. H. R. Saini	-	25.24	24.24	-	26.00	26.00
Mr. Pramod manglik	-	55.00	55.00	-	40.00	40.00
Mr. Rajesh Sahay	-	24.36	24.36	-	25.28	25.28
<b>Total</b>	<b>-</b>	<b>104.06</b>	<b>104.06</b>	<b>-</b>	<b>91.28</b>	<b>91.28</b>
<b>Security Deposits</b>						
JBM Industries Ltd.	10.50	-	10.50	10.50	-	10.50
Gurera Industries Ltd.	9.00	-	9.00	9.00	-	9.00
<b>Total</b>	<b>19.50</b>	<b>-</b>	<b>19.50</b>	<b>19.50</b>	<b>-</b>	<b>19.50</b>
<b>EMI of Car Loan</b>						
Jay Bharat Maruti Ltd.	17.50	-	17.50	19.01	-	19.01
<b>Total</b>	<b>17.50</b>	<b>-</b>	<b>17.50</b>	<b>19.01</b>	<b>-</b>	<b>19.01</b>
<b>Loan</b>						
Neel Metal Products Ltd	1230.00	-	1230.00	1230.00	-	1230.00
JBM Industries limited	140.00	-	140.00	150.00	-	150.00
<b>Total</b>	<b>1370.00</b>	<b>-</b>	<b>1370.00</b>	<b>1380.00</b>	<b>-</b>	<b>1380.00</b>
<b>Amount Recoverable</b>						
JBM Industries Ltd.	307.41	-	307.41	170.31	-	170.31
Neel Industries Private Limited	93.51	-	93.51	148.89	-	148.89
Neel Metal Products Ltd	271.58	-	271.58	-	-	-
Jay Bharat Maruti Ltd.	0.11	-	0.11	-	-	-
Gurera Industries Ltd.	7.64	-	7.64	10.27	-	10.27
MA SPA	1.36	-	1.36	-	-	-
<b>Total</b>	<b>681.61</b>	<b>-</b>	<b>681.61</b>	<b>329.47</b>	<b>-</b>	<b>329.47</b>
<b>Amount Payable</b>						
Neel Metal Products Ltd.	1401.12	-	1401.12	2039.37	-	2039.37
Jay Bharat Maruti Ltd.	94.83	-	94.83	460.87	-	460.87
JBM Industries Ltd.	176.88	-	176.88	-	-	-
Neel Industries Private Limited	4.40	-	4.40	-	-	-
Ogihara (Thailand) Co. Ltd.	76.18	-	76.18	14.21	-	14.21
<b>Total</b>	<b>1775.54</b>	<b>-</b>	<b>1771.14</b>	<b>2514.45</b>	<b>-</b>	<b>2514.45</b>
<b>Loans and Advance</b>						
Neel Metal Products Ltd.	400.00	-	400.00	-	-	-
<b>Total</b>	<b>400.00</b>	<b>-</b>	<b>400.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note: 40

The Company has taken land on lease for a period of 35 years, admeasuring 9.579 acre under an agreement commencing w.e.f. 5th May 2009 with Tata Motors Ltd. on an annual rent payable from the 3rd year onwards. The lease rent paid will be charged to revenue in the year of payment. The lease rent as stipulated in the agreement shall increase periodically.

## Notes Forming Part of Consolidated Financial Statements

### Note: 41

Other Non Current Assets and Advance Recoverable in Cash or in Kind for Value to be received includes Singur project relocation cost, which shall be recovered from Tata Motors Ltd. by way of amortization in sales.

### Note: 42

On 22nd January, 2012, a fire occurred in the administration block of the Greater Noida unit, Uttar Pradesh of the Company. All the records, documents, computer system etc. were burnt. The aforesaid results have been compiled & audited on the basis of information available with the Company at its other locations / corporate office, which in the opinion of Auditors is reasonable and reliable. The Company has filed the insurance claim against the loss, which is pending for settlement. No provision has been made for the same. Any variation from insurance claim filed will be accounted for as and when it is realized.

### Note: 43

The Company has filed a writ petition with the Hon'ble High Court of Kolkata for injunction restraining the Govt. of West Bengal for acting in terms of the Singur Land Rehabilitation And Development Act, 2011, which is being heard by Divisional Branch along with the appeals of TATA Motors Ltd. and their other vendors. Pending finalization of the case, the company has not made any provision against advance given for Land.

### Note: 44

The Company has decided to exercise the option provided in notification GSR No. 914(E) dated 29-12-2011 issued by ministry of companies affairs regarding the treatment of exchange differences.

### Note: 45

Consumption of Raw materials and Components has been computed by adding purchase to the opening stock and deducting closing stock verified physically by the management.

### Note: 46

Trade and Other Receivables and Payables are subject to confirmation.

### Note: 47

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**  
Partner  
M.No. 6102

Place : New Delhi  
Dated : 28th May, 2012

**S.K. Arya**  
Chairman

**Nishant Arya**  
Director

**M. K. Aggarwal**  
Director

**N.K. Goel**  
Chief Financial Officer & Company Secretary

## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of JBM Auto Limited will be held on Wednesday the 26th day of September 2012 at M.P.C.U Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 at 5.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended 31st March, 2012 and the Report of the Directors and Auditors thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr. Nishant Arya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 or any other statutes and subject to approval of Central Government, if any required, Mr. H.R. Saini be and is hereby reappointed as a Whole Time Director (designated as an Executive Director) for a further period of 2 (Two) years w.e.f. June 07, 2012 upon the terms & conditions and remuneration as set out below:

- a. Basic Salary: Rs. 1,25,000/- (Rs. One Lac Twenty five thousand Only) per month in the pay scale of RS. 1,00,000/- Rs.1,50,000/- with an authority to Board of Directors or Remuneration Committee to fix the quantum of annual increment within the above scale from time to time.
- b. Perquisites & Allowances: In addition to the basic salary, Mr. H.R. Saini shall be entitled to Perquisites like Furnished Accommodation ( including gas, water, electricity etc.) or payment of House Rent Allowance (HRA); house maintenance allowance / Reimbursement; Allowance/ Reimbursement of domestic help / Servant(s); Child Education Allowance / Reimbursement; Medical Allowance / Reimbursement; Accident / Medical Insurance; Leave Travel Expenses / or Allowances for self; spouse, dependent children and dependent parents; club fees or any other permissible perquisites. The aggregate value of these perquisites shall be restricted to an amount equivalent to 100% of the basic salary per month. Further Mr. H.R. Saini shall also be entitled to such incentive remuneration, in addition to the above salary and perquisites, as may be determined by the Board of Directors of the Company or Remuneration Committee thereof at the end of each Financial Year, subject to the maximum of 50% of annual basic salary.

Apart from the above, the Executive Director shall also be entitled to following, which shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling perquisites;

- i) Company's Chauffeur driven car(s) for the business of the Company;

- ii) Telephone Facility at residence to be used for the purpose of the Company;
- iii) One Month's leave with full salary for every eleven months of service; and
- iv) Reimbursement of Entertainment / Travelling / Hotel / and other expenses actually and properly incurred for the business of the Company;
- v) Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund;
- vi) Gratuity payable at the rate not exceeding half months salary for each completed year of service in the Company;
- vii) Encashment of leave at the end of tenure.

**RESOLVED FURTHER THAT** the perquisites & allowances shall be evaluated as per the provisions of Income Tax rules in force, from time to time, wherever applicable. In the absence of any such rules, perquisites and allowance shall be evaluated at the actual cost.

**RESOLVED FURTHER THAT** Mr. H.R. Saini, Executive Director shall not be entitled to sitting fee for attending meetings of the Board and / or Committees thereof.

**RESOLVED FURTHER THAT** in case of inadequacy of profit / or no profits in the Company in any Financial Year, Mr. H.R. Saini, Executive Director shall be entitled to the aforesaid salary, perquisites and allowances and incentive remuneration as minimum remuneration during his tenure subject to such permission, as may be required. In addition thereto, Mr. H.R. Saini, Executive Director shall also be entitled to the following perquisites (not to be included in the computation of the ceiling of the minimum remuneration):

- i) Company's contribution to the Provident Fund, Superannuation, Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961;
- ii) Gratuity payable at the rate not exceeding half months salary for each completed year of service
- iii) Encashment of leave at the end of tenure.

**RESOLVED FURTHER THAT** Board of Directors / or Remuneration Committee of the Company be and are hereby authorized to alter / vary the terms and condition from time to time as it may deem fit subject to necessary approvals, if any in accordance with the applicable provisions of the Companies Act, 1956.

**RESOLVED FURTHER THAT** in pursuance to Article No. 116 of the Articles of Association of the Company, Mr. H.R. Saini, Executive Director shall not be subject to retire by rotation whilst holding of the office of the Whole Time Director.

**RESOLVED FURTHER THAT** Board of Directors / or Remuneration Committee of the Company be and are hereby authorized to all such acts, deeds or things as may be required by or considered necessary or incidental thereto."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company for investment of the Company's funds to acquire Equity Shares by subscription, purchase or otherwise of the following Company, viz.:

S. No.	Name of the Company	Amount of Investment up to (Excluding Stamp Duty)
1.	JBM MA Automotive Private Limited	Rs. 10 Crores

Notwithstanding that the aggregate of the loans and investments so far made in or to be made in and the Guarantees or Securities so far given or to be given to all the Bodies Corporate may exceed the limits prescribed under the said Section.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, Statutory, Contractual or otherwise, in relation to such investment, to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required to be signed on behalf of the Company, in connection with such investment and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**By Order of the Board  
for JBM Auto Limited**

**Place : New Delhi  
Date : 08.08.2012**

**Sd/-  
N.K.Goel  
Chief Financial Officer  
& Company Secretary**

**NOTES:-**

- 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.**
2. Members are requested to bring their copy of Annual Report to the meeting.
3. Members / Proxies should bring the attendance slip for attending the meeting and should kindly be handed over at the entrance of meeting place. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are requested to write their client ID and DP ID numbers or folio numbers, whichever is applicable in attendance slip for attending the meeting.
5. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturdays between 11:00 a.m. and 01:00 p.m. up to the date of Annual General Meeting.
6. The Company has notified closure of Register of Members and Transfer books thereof from Monday,

September 17, 2012 to Wednesday, September 26, 2012 (both days inclusive) for the purpose of AGM.

7. As per Section 109A of the Companies Act, 1956, the shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination is to be made in Form No. 2B, which will be made available by the Company on request.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company or its Registrar Agents and send their share certificates to enable consolidation of their holdings into one folio.
9. Members seeking any information or clarification on the Accounts of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers can be made available at the meeting.
10. Members holding shares in dematerialized form are requested to intimate all the changes pertaining to their bank details, Power of Attorney, change of address / name etc. to their depository participants only and not to the Company's Registrar and Transfer Agents to provide efficient and better services to the members.
11. Under Section 205A of the Companies Act, 1956 the amount of dividend remaining unpaid and unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to IEPF (Investor Education and Protection Fund) set up by the Govt. of India. Any person / member who has not claimed the dividend in respect of the financial year ended March 31, 2005 or any year thereafter is requested to approach the Company / Registrar and Transfer Agent of the Company for claiming the same.  
It may please be noted that the unpaid / unclaimed dividend for the financial year ended March 31, 2005 is due for transfer to the fund on October 27, 2012.  
Members are requested to also note that pursuant to Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unpaid / unclaimed for a period of seven years from the date they became first due for payment.
12. The Company has paid the annual listing fees to the respective stock exchanges for the Financial Year 2012-13.
13. Continuing its efforts to increase Green Initiatives, the Company has already intimated its intention to send the annual report and accounts, notices and other documents to the members through electronic mode. The amended listing agreement with stock exchanges now requires the Company to send soft copies of annual report and accounts to members who register their email addresses with the Company. The members can register their email addresses with the Registrar and Transfer Agents of the Company. The registration by the members will contribute towards furtherance of the mail 'Green Initiative in Corporate Governance' announced by the Ministry of Corporate Affairs, Govt. of India.
14. The members may address their correspondence either to the Company at its registered office or its Share Transfer Agent. Please quote your folio number, email address, telephone & fax number (if any) for prompt reply.
15. The Company has not attached the annual accounts of its Subsidiary Companies in terms of MCA circular no. 2/2011 dated 8th February, 2011. However, if any Shareholder wishes to have a copy of the Accounts of Subsidiary Companies, they may obtain the same from the registered office of the company.

16. Re-appointment of Mr. Nishant Arya (Item No. 3 of the Notice)

Mr. Nishant Arya is Non-executive Director of the Company since 2009. He is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered for re-appointment, liable to retire by rotation.

**Brief Profile of Mr. Nishant Arya**

Mr. Nishant Arya, aged 26 years, has completed his Bachelor’s degree in business administration from Bradford University, U.K. He has also completed a course in Business development and strategy from the London School of Economics.

Mr. Nishant Arya is director on the Board of following public company (ies) :

Company Name	Director/ Chairman	Committee		
		Audit	Remuneration	Shareholders’/ Investor Grievance
Jay Bharat Maruti Limited	Director	-	-	-
Neel Metal Products Limited	Executive Director	-	-	-
ANS Steel Tubes Limited	Director	-	-	-
JBM Ogihara Automotive India Limited	Director	-	-	-
JBM Motors Limited	Director	-	-	-
JBM Auto Limited	Director	-	-	-

**EXPLANATORY STATEMENTS**

The following explanatory statements pursuant to Section 173(2) of Companies Act 1956, set out all material facts relating to the business mentioned at Item No. 5 in the accompanying notice dated 8th August 2012.

**ITEM NO.-5**

Mr. H.R. Saini was appointed as a Whole Time Director, designated as “Executive Director” of the Company for a period of 5 (Five) years w.e.f. June 07, 2007 on terms and conditions approved by the members of the Company in the Annual General Meeting of the Company held on September 20, 2007. The tenure of Mr. H.R. Saini as Whole Time Director / Executive Director was up to June 07, 2012.

The Board of Directors of the Company in its meeting held on 28th May, 2012 has reappointed Mr. H.R. Saini as a Whole Time Director of the Company for the further period of two years w.e.f. 7th June 2012 on the terms and conditions as approved by the Remuneration Committee, subject to approval of members at the General Meeting. The Remuneration Committee has also approved the terms and conditions of the reappointment of Mr. H.R. Saini, as mentioned in the notice of this meeting.

Mr. H.R. Saini is a graduate in Mechanical Engineering with specialized training abroad in tool engineering. He has over 45 years of experience in engineering industry and held various senior positions in various companies. He is looking after business development, marketing and tool room activities of the Company.

## **AGM Notice**

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He is also director on the board of two other public limited companies namely JBM International Limited and JBM Ogihara Automotive India Limited.

Mr. H.R. Saini does not have any other pecuniary relationship with the Company except remuneration proposed to be paid by the Company.

In compliance with the provisions of section 198, 269, 309 and 310 and other applicable provisions of the Companies Act, 1956, the reappointment of Mr. H.R. Saini as a Whole Time Director of the Company on the terms and conditions as mentioned in item No. 6 of the notice convening the meeting is now being placed before the members in General Meeting for their approval by passing the special resolution. The Board recommends the resolution for your approval.

The above may also be treated as an abstract of terms of appointment and memorandum of interest in compliance with Section 302 of the Companies Act, 1956.

Since Mr. H. R. Saini has attained the age of 74 years, this resolution is proposed to be passed as Special Resolution.

None of the directors of the Company except Mr. H.R. Saini is concerned or interested in the resolution.

### **ITEM NO. 6**

Inter Corporate Investments & Loans under Section 372A of the Companies Act, 1956:

The Company has set up various joint ventures as a strategic tie-up during the year as described below:

JBM MA Automotive Private Limited, a joint venture established pursuant to joint venture agreement entered between JBM Auto Limited, India and MA , S.P.A., Italy to manufacture the skin panels and other underbody components for TATA Fiat JV and TATA Motors Ltd.

The Company will be requiring to make investment in the aforesaid joint venture for an amount not exceeding Rs. 10 Crores.

Since the proposed amount of investment may exceed the limit prescribed under Section 372A of the Companies Act, 1956 (60% of the paid share capital and free reserves or 100% of free reserves whichever is more) and to enable the Company to achieve the above purpose, the Company will be required to obtain approval of the shareholders of the Company by way of special resolution.

Any investment made in excess of limits prescribed under Section 372A of the Companies Act, 1956 requires the approval of the Company and accordingly the Board of Directors of the Company recommends passing of resolution as a special resolution for approval by the members.

**By Order of the Board  
for JBM Auto Limited**

**Place : New Delhi  
Date : 08.08.2012**

**Sd/-  
N.K.Goel  
Chief Financial Officer  
& Company Secretary**





## JBM AUTO LIMITED

Registered Office : 610, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019

### ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held on Wednesday, the 26th day of September, 2012 at M.P.C.U Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 at 5:00 p.m.

Name of the Shareholder(s) .....  
(In the Block Letters)

Father's/Husband's Name .....

Name of the Proxy or Company Representative .....  
(In the Block Letters)

Registered Folio No./DP-Client ID..... No. of Shares held .....

Signature of the Share holder(s) or Proxy or Company Representative.....

**Note:**

1. Members/Proxies are requested to bring the duly filled in Attendance Slip to the 16th Annual General Meeting, to be handed over at the meeting.
2. If you intend to appoint a proxy, please deposit duly filled Proxy Form either at the Registered Office of Company or at the office of its Share transfer agent at least 48 hours before the meeting.



Registered Office : 610, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019

### PROXY FORM

I/We ..... resident of ..... in the district of ..... being member(s) of the above named Company, hereby appoint .....

resident of ..... in the district of ..... or failing him .. resident of .....

..... in the district of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company held on Wednesday, the 26th day of September, 2012 at M.P.C.U Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 at 5:00 p.m. and at any adjournment thereof.

Registered Folio No./DP- Client ID..... No. of Shares held .....

Signed this ..... day of ..... 2012.

Signed by the said .....

Signature of the Proxy .....

Attested by the shareholder .....

Signature 

Affix Revenue stamp of Re. 1
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**No gift of any nature will be distributed at the Annual General Meeting**

Forward-looking statements: This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projection about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.





## **JBM AUTO LIMITED**

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