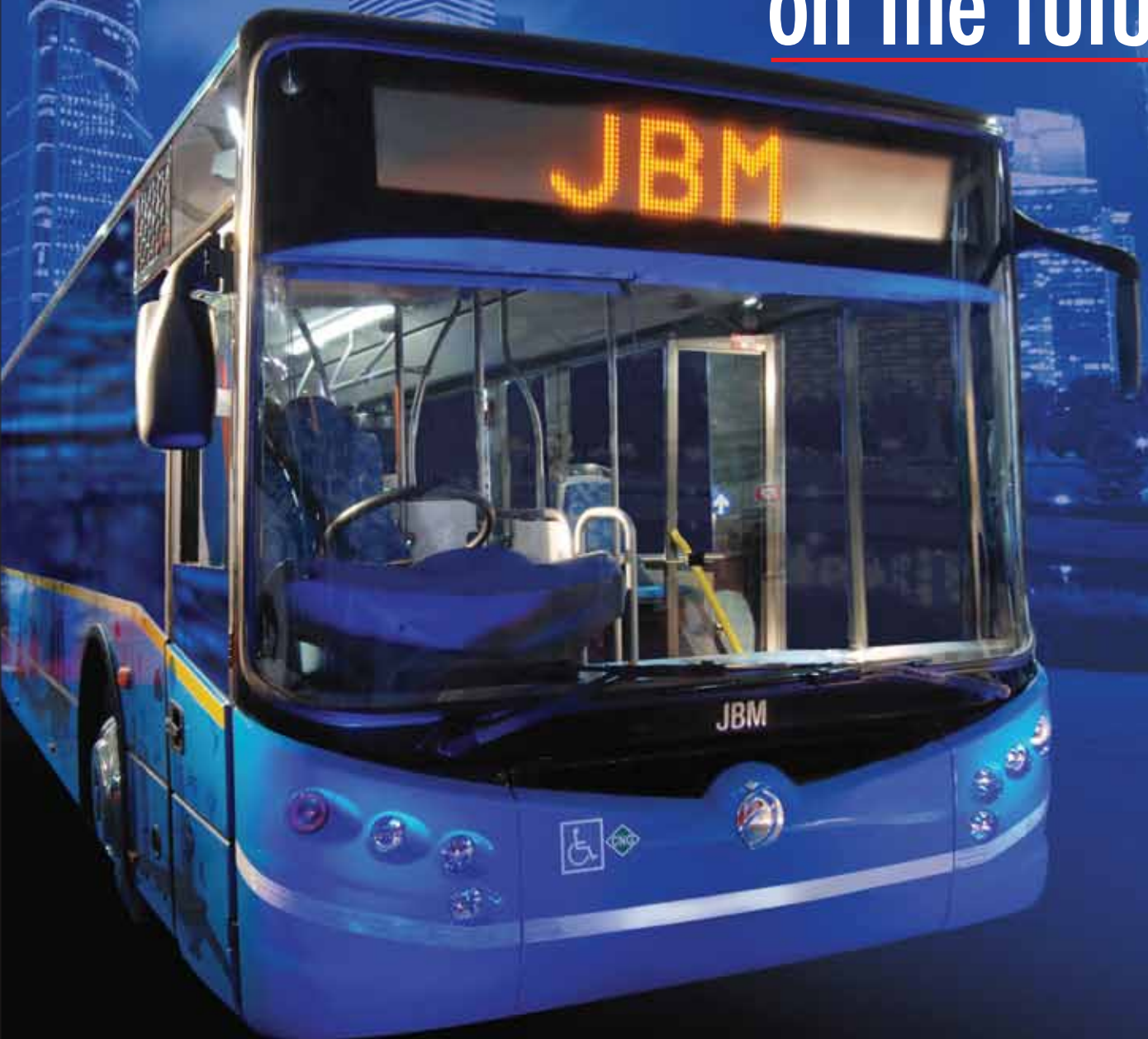


new  
vision  
approach  
paradigm

riding high  
on the future



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# corporate information



**Mr. S. K. Arya**  
Chairman



**Mr. Ashok Kumar Agarwal**  
Director



**Mr. M. K. Aggarwal**  
Director



**Mr. Nishant Arya**  
Director



**Mrs. Vimal Vasisht**  
Director (w.e.f 20.07.2014)



**Mr. H. R. Saini**  
Executive Director

## **Chief Financial Officer & Company Secretary**

Mr. Vivek Gupta

## **Statutory Auditors**

Mehra Goel & Co., Chartered

## **Share Transfer Agent**

MCS Limited

## **Bankers**

Axis Bank

Canara Bank

Central Bank of India

Citi Bank N.A.

DBS Bank

ICICI Bank

IndusInd Bank Ltd.

ING Vysya Ltd.

Kotak Mahindra Bank Ltd.

Standard Chartered Bank

Yes Bank Ltd.



# about us

Today, JBM Auto is all poised to further consolidate its leadership position as one of India's leading automotive component manufacturers. With our extensive product portfolio, marque customers, strategic market position, strong R&D, global approach and newer avenues of business operations, we have emerged as a key global supplier in the industry. In our pursuit of excellence, we have consistently incorporated world-class technology led by a dedicated team of professionals and maintained a steady focus on innovation thereby delivering greater satisfaction to our customers and creating better value for our stakeholders.

With the launch of our buses this year, JBM Auto has embarked on a journey of evolution to become an integrated automotive player. Going ahead, the bus division shall act as an important driver of overall growth of the company.

JBM Auto Ltd. is the flagship company of \$1.2 bn JBM Group that has a diversified portfolio in the field of automotive, engineering & design services and renewables, with an infrastructure of 35 manufacturing plants and 4 engineering & design centres across 18 locations globally. JBM's focus on quality-delivery, frugal engineering, time to market and art-to-part philosophy has provided the group an indomitable position in the industry.

# at a glance

## COMPONENT DIVISION

**Manufacturing sheet metal components, assemblies, sub-assemblies.**

JBM Auto's Component Division manufactures skin panels for doors, roof, rear panel, front panel, bumpers; underbody parts like floor; upper body parts like pillar, roof header; chassis & suspension systems and other products like cross car beam, cross truck beam, oil pan assembly, fuel tanks, air tank assembly, cowl assembly, etc.

## TOOL ROOM DIVISION

**Manufacturing tools, dies and moulds.**

To meet the ever-evolving requirements of the customers, the company's tool rooms are continuously upgraded to interface with the latest industry-grade software and technology.



## BUS DIVISION

Launched this year with an objective to revolutionize public transportation segment in India, this division specializes in the manufacturing of high quality buses, which are built with leading cutting-edge technology. JBM buses take pride in providing the highest levels of convenience, comfort, safety and passenger delight with many first of kind features. The division weaves in a seamless bond with the Group's offering due to the company's in-house base of varied auto components.

## SKILL DEVELOPMENT CENTRE

A manufacturing technology based training centre primarily to meet the growing demand of skilled manpower in the engineering and automotive sector. The facilities include an advanced welding laboratory, modern training workshop with conventional and CNC machines, CAD/CAM lab, fitting and assembly section, classrooms equipped with latest teaching aids and relevant library. The target group includes candidates from school dropouts to ITIs, polytechnics and engineering students of mechanical and automotive trades.





## chairman's message

Dear Shareholders,

Another eventful year has gone by and, once again, it gives me immense pleasure to present the performance of your company during the previous year and share the roadmap for the upcoming year. The previous year has been the best one for the company till date.

Let me first share the performance for the financial year 2013-14 before sharing details of the expansion planned in FY2014-15. The company achieved a net profit (post tax) of ₹ 50.20 crore compared to ₹ 32.60 crore in FY12-13. The net revenue from operations also grew to ₹ 1363 crore compared to ₹ 1170 crore earlier. The Board has recommended a 30% dividend - the highest ever in the company's history. The stellar performance came despite the headwinds of inflation, high fuel prices, high interest rates, market conditions and muted customer sentiment. This would not have been possible without the commitment of all my colleagues and the unstinted support of our stakeholders.

With a stable, proactive and forward-looking government at the Centre, I believe the coming year will be a time of higher growth and success. The extension of excise duty benefits till 31st December 2014 has further boosted the spirits of the Indian automobile industry needed. This initiative has already shown its impact with an increase in sales.

With regard to the developments during the year, we announced our foray into manufacturing of buses. We unveiled India's first true low floor intra-city bus 'CITYLIFE' at the Auto Expo 2014. The bus received excellent reviews from the media, customers and the public at large. Going ahead, the bus project will be a major revenue driver for JBM Auto Ltd. in the coming years. The buses shall be manufactured at the company's state-of-the-art facilities at Faridabad and KosiKalan with an annual capacity of 2000 buses.

The company achieved a net profit (post tax) of ₹ 50.20 crore compared to ₹ 32.60 crore in FY12-13. The net revenue from operations also grew to ₹ 1363 crore compared to ₹ 1170 crore earlier.

At JBM Auto Ltd, our key focus will now be on ISQ (Integrity, Safety and Quality) to propel our growth to the next orbit. Together, these three will represent the JBM DNA, which will consistently reflect in all our actions as a value-based organisation. These norms will be non-negotiable in our processes and systems. We have also enunciated our new Vision, which encompasses all business spheres so that we can meet stakeholder expectations with renewed commitment. After due introspection, we have redefined our Values as Integrity & Ethics, Ownership & Commitment, Respect & Teamwork, Customer Trust & Delight and Safety and Green. Along with our focus on TIP (Technology, Innovation and People), all these steps will strengthen our organisation and transform our way of doing business.

We are investing in cutting-edge technology and expanding our product range in order to march ahead of our competitors.

Simultaneously, we are focussing on attracting and retaining the best talent, since people are our biggest asset. We continuously strive to promote the culture of performance in our organisation. Regular training is being provided and a pool of future leaders is being created through our leadership development programmes like 'Drive', which we have been conducting for the past two years.

Finally, let me take this opportunity to thank each one of you, dear shareholders, for your continued trust and support. On behalf of the management of JBM Auto Ltd, I also wish to thank our esteemed stakeholders and bankers who believed in our long-cherished dream, which has now become a reality. We will keep you updated on all relevant developments throughout the year.

**S. K. Arya**

Chairman



# financial highlights

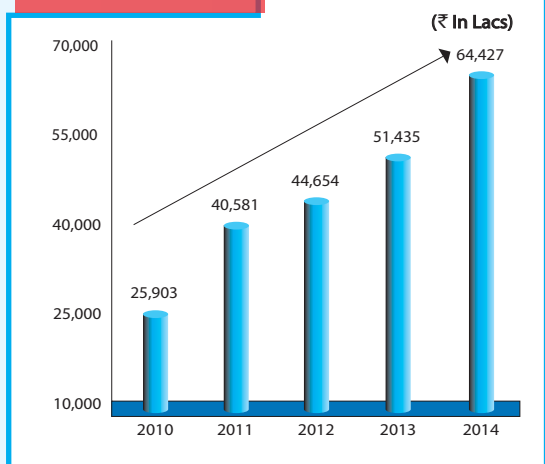
CONSOLIDATED

(₹ In Lacs)

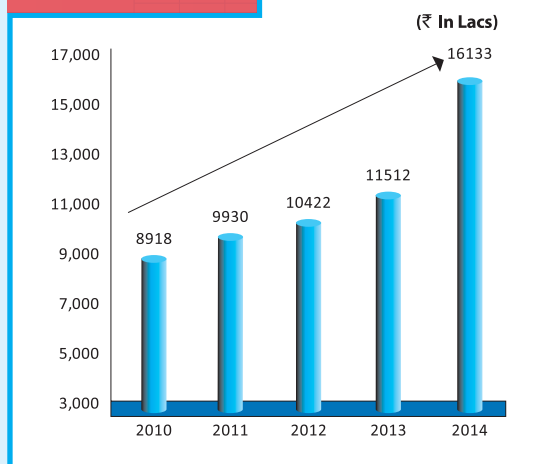
Particulars	2010	2011	2012	2013	2014
Gross Sales	44886	81950	108233	132185	154041
Net Sales	41469	73105	96732	117096	136389
Other Income	185	238	578	381	559
Total Income (Gross)	45071	82188	108811	132566	154600
Profit Before Depreciation & Tax (PBDT)	3608	6007	7818	9295	12417
Cash Profit	3006	4827	6483	7606	10134
Profit Before Tax (PBT)	1513	3741	4784	5984	8402
Profit After Tax (PAT)	812	2152	2588	3260	5021
Equity Share Capital	1020	1020	1020	1020	1020
Reserve & Surplus	8421	10455	12954	15854	22706
Net Worth	9441	11475	13974	16874	23726
PBT/Net Sales (%)	3.65	5.12	4.95	5.11	6.16
PAT/Net Sales (%)	2.28	2.94	2.68	3.24	3.68
RONW (PAT/Net worth)%	10.02	18.75	18.52	22.49	21.16
Debt Equity Ratio (Times)	1.64	1.58	1.65	1.35	0.66



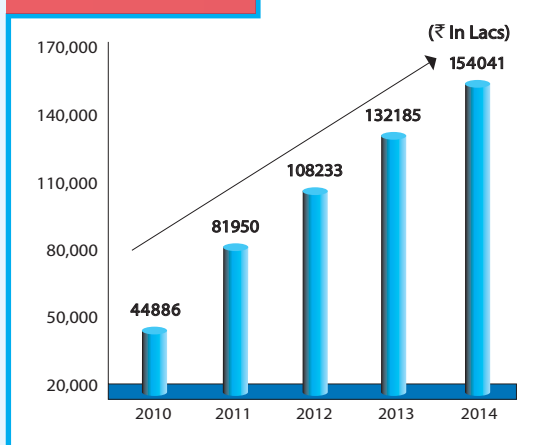
**GROS SALES  
(STANDALONE)**



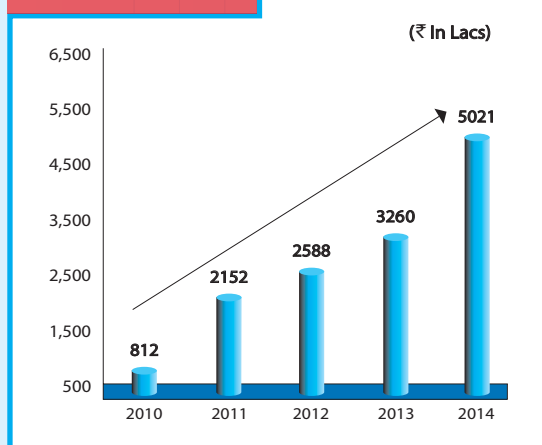
**NET WORTH  
(STANDALONE)**



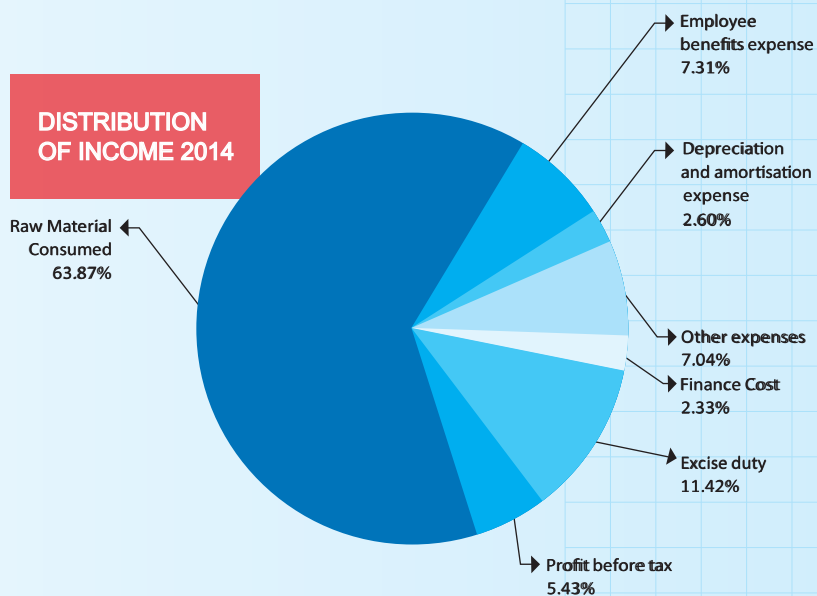
**TURNOVER  
(CONSOLIDATED)**



**PAT  
(CONSOLIDATED)**



**DISTRIBUTION  
OF INCOME 2014**





## our vision

Expanding leadership in our business by creating an agile environment that delivers excellence and delight to stakeholders through the power of people, innovation and technology.

## our values

**INTEGRITY & ETHICS** by having the conscience to be honest and sincere, resulting in appropriate conduct without being overseen.

**OWNERSHIP & COMMITMENT** by feeling a sense of accountability towards all tasks undertaken and taking complete responsibility for the outcomes.

**RESPECT & TEAMWORK** by fostering trust among people and an appreciation for diversity of ideas, thereby harnessing the potential of individuals and channeling it to accomplish greater group goals.

**CUSTOMER TRUST & DELIGHT** by meeting commitments, being sensitive to customer needs and addressing matters with clarity and speed.

**SAFE & GREEN** by being, in all our actions, a conscientious corporate citizen that prioritizes the safety of its people, protects the environment and contributes to the wellbeing of society.

## value proposition

Firmly rooted in the legacy of JBM Group, the Company believes in continuously redefining its boundaries to always deliver value to customers.

- **COMPREHENSIVE PRODUCT RANGE**
- **PAN INDIA PRESENCE**
- **CATERING TO DIFFERENT INDUSTRY SEGMENTS**
- **DIVERSE CUSTOMER BASE**
- **INNOVATION & TECHNOLOGY EDGE**
- **PEOPLE FOCUSED**
- **BEST QUALITY & PRACTICES**

# directors' report

## Dear Members

Your Directors have pleasure in presenting the 18th Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2014.

### 1. FINANCIAL RESULTS

(₹ in Crores)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2013-14	2012-13	2013-14	2012-13
Total Revenue	572.37	459.09	1369.48	1174.77
Profit Before Tax	33.90	20.59	84.02	59.84
Less: Tax expenses	9.59	6.84	27.03	21.89
<b>Profit After Tax</b>	<b>24.31</b>	<b>13.75</b>	<b>56.99</b>	<b>37.95</b>
Less: Minority Interest	-	-	6.78	5.34
Balance brought forward	65.61	55.81	101.99	77.69
Add: Previous year adjustment in profit of subsidiary and joint venture	-	-	(0.001)	0.03
<b>Profit available for appropriation</b>	<b>89.92</b>	<b>69.56</b>	<b>152.20</b>	<b>110.32</b>
Less: Dividend	3.51	2.44	8.49	3.74
Less : Dividend Tax	(0.41)	0.41	0.43	1.22
Less: Transfer to General Reserve	2.44	1.10	5.35	3.37
<b>Balance carried forward to Balance Sheet</b>	<b>84.38</b>	<b>65.61</b>	<b>137.92</b>	<b>101.99</b>

### 2. OPERATIONAL AND FINANCIAL REVIEW

As anticipated in the close of the financial year 2012-13, the automobile sector showed a decline by 6.10% during the financial year 2013-14, as a result of continued economic slowdown, weak consumer sentiments, rising fuel prices and high interest rates. However, during the year under review, your Company performed well despite the economic crisis and unfavorable economic conditions.

During the year under review, on standalone basis, your Company achieved a Total Revenue of ₹ 572.37 crores as against ₹ 459.09 crores recorded in the previous year registering a growth of 24.67%. The Profit after Tax (PAT) increased to ₹ 24.31 crores from ₹ 13.75 crores in the previous year, registering a growth of 76.80%.

During the year under review, on consolidated basis, your Company achieved a Total Revenue of ₹ 1369.48 crores as against ₹ 1174.77 crores recorded in the previous year registering a growth of 16.57%. The Profit after Tax (PAT) increased to ₹ 50.20 crores from ₹ 32.60 crores in the previous year, registering a growth of 53.99%.

### 3. SUBSIDIARIES

Your Company has two subsidiaries namely M/s JBM Ogihara Automotive India Ltd. and M/s JBM Auto System Pvt. Ltd.

### 4. PARTICULARS UNDER SECTION 212 OF COMPANIES ACT, 1956

As per the General Circular No 2 / 2011 dated 8th February, 2011, of the Ministry of Corporate Affairs, the Central Government has granted 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 30th May, 2014. 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.

### 5. DIVIDEND AND APPROPRIATION

#### (A) Dividend

Your Board of Directors are pleased to recommend a Dividend of ₹ 3/- (30%) per equity share of ₹ 10/- each for the financial year 2013-14 as against the dividend of ₹ 2/- (20%) per equity share of ₹ 10/- each for the financial year 2012-13.

#### (B) Appropriation

During the financial year 2013-14, an amount of ₹ 2.44 crores (₹ 1.10 crores in the financial year 2012-13) was transferred to General Reserves of the Company.

#### (C) Bonus Issue and Sub-Division of Equity Shares

Keeping in view of the consistent good performance of the Company and to reward our esteemed shareholders, your Directors in their meeting held on 14th August, 2014 have recommended issue of bonus shares in the proportion of 1 (One) Equity share for every 1 (One) Equity share held by capitalizing an amount of ₹ 10.20 crores from Securities Premium Account/Free Reserves and also in order to increase the liquidity in trading, has recommended to sub-divide 1 (one) Equity share of ₹ 10/- each into 2 (two) equity shares of ₹ 5/- each. The same shall be put up for approval of the shareholders in the ensuing Annual General Meeting of the Company.

## 6. EXPANSION STATUS

The plant at Pithampur, Indore (M.P.) has commenced commercial production w.e.f. 20th July, 2013. This is a state of art plant set up to supply skin panels, large sub- assemblies etc (both for domestic & export market) mainly for Volvo Eicher Commercial Vehicles (VECV). This plant shall also be supplying frame assembly, exhaust systems and other parts for the current and upcoming models of Mahindra Two Wheelers (M2W).

The Plant at Pathredi, Bhiwadi, (Rajasthan) has commenced commercial production w.e.f. 1st February, 2014 mainly to cater to the needs of Honda Cars India Limited, for supply of sheet metal components, assemblies etc. (both for domestic & export market).

A dedicated "Skill Development Centre (SDC)" has been set up by the Company to train the candidates on employable skills in Fabrication and Production & Manufacturing sector to meet the skill shortage in industry. This Centre is registered as Vocational Training Provider (VTP) under Skill Development Initiative Scheme (SDIS) of Government of India. More than 200 tribal category unemployed youths have been trained & placed from North Eastern Region, Chhattisgarh and Madhya Pradesh, thus meeting the societal objective. The center offers both long term and short term training courses for school leavers and refreshers.

### Bus Project Outlook

The Company launched its first True Low Floor Bus – 'CITYLIFE' that has been especially designed in Europe for intra-city travel in India. 'CITYLIFE' was launched with much fanfare at the Auto Expo 2014 in Greater Noida. State-of-the-art technology deployed in 'CITYLIFE' consists of many unique features like monocoque structure, Independent Front Suspension (IFS), Inverted Portal Axles (IPA) and Disc Brakes with ABS on all wheels which gives a completely low floor bus with superior ride and handling with enhanced safety. These features 'CITYLIFE' is the first in the Domestic market and provide distinct advantages over competition. The 230 HP CNG Base model of 'CITYLIFE' has now been completely developed in India and is under product validation and homologation. The next few months will witness start of Volume Production for the base model and development of application specific variants like Tarmac and School Buses.

The Bus Project is also currently engaged in developing a Base model of 280 HP diesel for the 'CITYLIFE'. It is expected that Prototype of this program will be ready by the end of Quarter 3 of this fiscal year. The Company is betting high on 'CITYLIFE' and expects to capture significant market share in Major Metros like New Delhi, Mumbai and Chennai etc. by end of current financial year.

One of the Company's subsidiary namely M/s JBM Auto System Pvt. Ltd. is undertaking expansion project at Sanand, Gujarat mainly to cater the needs of Ford India Pvt. Ltd. (for domestic and export market) for supply of sheet metal components, assemblies etc.

All these expansions and new business shall substantially expand the capacities and give your Company a big leap forward to generate the revenue for the future growth of the Company.

## 7. HUMAN RESOURCES DEVELOPMENT

People are the assets and have been instrumental in driving the Company's performance year on year. Their passion, commitment, sense of ownership and team work has enabled the Company to sustain its leadership position in the challenging market scenario of 2013-14. The Company has always striven to offer a positive, supportive, open and high performance work culture where innovation and risk taking is encouraged, performance is recognized and employees are motivated to realize their true potential.

The Company is an equal opportunity employer and believes in recognizing merit and potential in the selection process. The Company has been investing to strengthen positive employee relations through continuous communication, education, engagement and welfare initiatives. Focus has also been to provide opportunities to employees to learn and grow within the organization.

## 8. FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

## 9. DIRECTORS

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Board recommends the appointment of Mr. Ashok Kumar Agarwal and Mr. Mahesh Kumar Aggarwal as Independent Directors not liable to retire by rotation for a period of 5 (Five) consecutive years up to 31.03.2019 subject to approval of the shareholders in general meeting of the Company. These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and under Clause 49 of the Listing Agreement with the Stock Exchanges and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013. Mr. S. K. Arya and Mr. Nishant Arya, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Board recommends the re-appointment of Mr. S. K. Arya and Mr. Nishant Arya.

Mr. Dhanendra Kumar, IAS (Retd.) had joined as Additional Director of the Company on 9th January, 2014 but due to increased involvement in Government affairs, he resigned on 9th May, 2014.

As per provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, the Company shall have at least one Woman Director. Accordingly, the Board of Directors have appointed Mrs. Vimal Vasisht, IRS (Retd.) as an Additional Director of the Company w.e.f. 21st July, 2014, who shall hold office up to the date of ensuing Annual General Meeting of the Company. The Company has received requisite request in writing from a member of the Company proposing the candidature of Mrs. Vimal Vasisht for the office of Director. The Board recommends her appointment as an Independent Director of the Company not liable to retire by rotation for a period of 5 (Five) consecutive years.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. 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, 2014 and of the profit of the Company for that period;
- iii. 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;
- iv. That the annual accounts for the year ended 31st March, 2014 have been prepared on a going concern basis.

## 11. 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.

## 12. AUDITORS AND AUDITORS' REPORT

The Auditors, M/s Mehra Goel & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. A certificate from the Auditors has been received to the effect that their re-appointment, if made, would be in accordance with section 139(1) of the Companies Act, 2013. The Board recommends their re-appointment.

## 13. COST AUDITORS

In compliance with the notification of the Ministry of Corporate Affairs dated 24th January, 2012 and on the recommendation of the Audit Committee, the Board of Directors have appointed M/s Jitender Navneet & Co., Cost Accountants as the Cost Auditors of the Company to conduct the Cost Audit and submit the report for the financial year 2013-14.

## 14. PARTICULARS OF EMPLOYEES

No employee of the Company was drawing remuneration, whose particulars are required to be given as prescribed under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

## 15. 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.

## 16. 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.

## 17. LISTING FEES

The shares of your Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). Listing fees has already been paid for the financial year 2014-15. Further, annual custodial fee have also been paid to NSDL & CDSL for the financial year 2014-15.

## 18. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNT 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 (Seven) years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to provisions of Section 205C of the said Act.

## 19. INDUSTRIAL RELATIONS

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

## 20. ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the customers, suppliers, bankers and central and state governments for their continued guidance, support and cooperation.

Your Directors place on record their deep appreciation of the 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 express their gratitude to the Shareholders for their valuable and un-stinted support extended to the Company throughout the year.

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

**For and on behalf of the Board**

**Place:** Gurgaon (Haryana)

**Date:** 14th August, 2014

**Sd/-**  
**S. K. Arya**  
Chairman

## Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

## FORM - A

## (A) CONSERVATION OF ENERGY

The Company continued its energy conservation drive with main focus on reducing energy cost and improving efficiency through adoption of new technology and optimization of operation. Energy saving initiatives throughout the plant helped the Company in reducing energy cost to a great extent. Some of the activities carried out during the year towards environment, energy conservation are given hereunder:

**Energy cost reduction:**

- The Company has installed an Independent Electricity Feeder to avoid frequent electricity trippings at it's Faridabad unit and also entered into an agreement with Indian Energy Exchange (IEX) for purchase of electricity units at cheaper rate through the bidding process
- Constant monitoring to maintain sustainable power consumption level which resulted in optimization of energy consumption
- Minimized compressed air leakage through vigorous maintenance and quantification of leakage in plant, which resulted into reduction in air leakage
- Energy Audit had also been conducted from time to time to avoid wastage and to reduce the cost of energy

**Energy Conservation:**

- Replacement of old equipments with new and high rating equipments
- Discipline to switch off lights and machineries, when not working or not in use, is being maintained
- High accuracy welding controller provide in welding line to avoid current variation
- Monitoring and analysis of electricity consumption, awareness training to users
- Replacement of Mercury lamps with CFL lights, wherever possible to conserve energy
- 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
- Energy saving Drives installed on the machines to conserve energy

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

## FORM - B

## (B) RESEARCH &amp; DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Research & development (R & D)	
1. Specific area in which R & D work is carried out	<ul style="list-style-type: none"> <li>- The Company has been constantly working towards enhancing Research &amp; Development capabilities for all its segments. Specifically, the Company is carrying R &amp; D activities to accelerate it's Bus Project.</li> <li>- In the Bus Project, the Company has got designs from Breda Meniribus (BMB), Italy under royalty agreement and is in the process of developing Buses on monocoque body concept indigenously. The Company is improving R &amp; D capabilities in the fields of CAE, Vehicle Performance tuning, Electricals and Electronics etc. by lateral hiring from OEMs. There is extensive use of advanced technology e.g. joinery methods like structural adhesives for Skin Panels bonding with integral structure which improves the life of the structure. Further, use of aluminum has been done for light weighting and improving the corrosion resistance of the Buses.</li> <li>- In the Tools &amp; Dies Division, the Company has produced Dies capable of producing the High Tensile parts and Skin Panel parts.</li> <li>- The R &amp; D activities of the Company includes the development of processes of sheet metal component forming by designing and manufacturing of intricate press tooling, welding fixtures &amp; gauges.</li> </ul>

2. Future plan of action	<ul style="list-style-type: none"> <li>- In Bus Project, the Company is focusing on increasing the local contents, without compromising on quality and keeping in mind the Indian customer and Indian operating environment</li> <li>- The Company's research &amp; 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</li> </ul>
3. Expenditure on R & D	The Company has made the total expenditure of ₹ 2.11 crores (₹ 3.40 crores in previous year) during the financial year 2013-14 on the R & D activities for the Bus Project of the Company

### Technology Absorption, Adaptation and Innovation

1. Efforts, in brief made for the technology absorption, adaptation and innovation	<ul style="list-style-type: none"> <li>- To meet the current business requirements in terms of quality &amp; quantity, the Company has imported &amp; absorbed the Japanese technologies from Yorozu Corporation for production of chassis and suspension parts etc. for Honda Cars India Limited</li> <li>- Up-gradation of quality control equipment, design simulation in line with the modern technology is taken care</li> <li>- The technical know-how like designing, prototyping and try out facilities are being augmented regularly</li> <li>- The expertise in manufacturing of Chassis, Suspension Parts, welded sub-assemblies and their validation and testing is being developed in line with the Industry standards</li> </ul>
2. Benefits derived as a result of the above e.g. product improvement, cost reduction, product development, import substitution	<ul style="list-style-type: none"> <li>- This technology absorption has resulted in the saving on account of manpower and increased productivity</li> <li>- These steps will enable the Company to prepare for the future trends in the Automobile Industry well in time</li> </ul>
3. In case of imported technology (imported during the last 5 years from the beginning of the financial year)	Information as required is stated herein given below:

Technology Imported	Year	Has Technology been fully absorbed?
For manufacturing of assembly of Front Lower , Front Sub Frame, Rear Axle Beam for Honda Brio	2013-14	Yes
For manufacturing of assembly of Sub Frame Comp Front, Suspension Lower Arm Assembly R/L FR for Honda Jazz / Honda City	2013-14	Yes

### FORM - C

FOREIGN EXCHANGE EARNINGS AND OUTGO	
1. Activities relating to exports	The Company is exporting sheet metals parts and assemblies to OEMs situated in Sweden, France, Japan, Thailand etc. both directly and also on deemed export basis.
2. Total foreign exchange earned and used	Foreign exchange earnings were ₹ 11.88 crores (previous year ₹ 9.16 crores) and outgo on account of capital goods, raw materials & spares, traveling, repair & maintenance, interest, job work charges, freight, warehouse & other charges were ₹ 52.49 crores (previous year ₹ 55.90 crores).

# management discussion and analysis report

## A. ECONOMY OVERVIEW

### i. GLOBAL ECONOMY

The Global Economy began its modest recovery in the financial year 2013-14 with improved demand from the Organization for Economic Co-operation and Development (OECD) economies in the second half of 2013. While the trend is expected to accelerate in the current year, the positive outlook is subdued by the potential consequences of 'tapering' of some of the US Federal Reserve's Quantitative Easing (QE) policies which were undertaken in the aftermath of global financial crises. Emerging markets like India faced multiple challenges: capital outflows, intense exchange rate pressures and volatile current account movement. A combination of persistent inflation, fiscal imbalances, external sector vulnerabilities and low investments resulted in sluggish domestic demand growth. Fiscal and monetary initiatives taken by the Indian government and the Reserve Bank of India (RBI) helped stabilize financial market conditions, but the domestic macro-economic environment still remains challenging. Depressed economic sentiments coupled with high price levels and poor income growth continued to affect the Industry.

### ii. INDIAN ECONOMY

Indian economy grew at the rate of 4.7% in the financial year 2013-14, which was higher than the previous financial year, mainly on account of improved performance in the agriculture and allied sectors.

The India's Bankers Bank (RBI) increased the interest rate in order to target persisting high inflation. The shift in focus from Wholesale Price Index (WPI) inflation to Consumer Price Index (CPI) inflation also kept interest rate window on the higher side.

The Indian Economy is witnessing a favorable climate due to the phenomenal outcome of the Lok Sabha elections 2014. The market showed an unremarkable boom and is breaking new skies, because of the expectation from the new government to streamline policies which are hurdle to growth of the economy thus paving way for faster growth of the economy.

In response to steps like abridged Gold imports, as also momentum in global trade, India's Current Account deficit is expected to shrink from 4.9% of GDP in Q1 to below 2.5% of GDP by the end the Financial Year 2013-14. The external sector risk was reduced by taking measures to attract and withhold foreign inflows which helped in improving the Foreign Exchange Reserves.

The currency value of an economy influences the growth rate of GDP in an economy. Several other factors that have a direct impact on the over or the undervaluation of a currency are:

- Capital flows & Stock market of India
- Global Currency Trends
- RBI Intervention
- Oil Factors
- Political Factors

The Finance Minister, Mr. Arun Jaitley (NDA-BJP Government) has presented its first Budget on 10th July, 2014. The Industry was very hopeful and seeking positive announcements for the growth of the Indian economy from the first Budget presented by NDA Government. Positively, the finance minister has endeavored to push for an inclusive agenda that focuses on macro-economic stabilization, lower inflation and fiscal prudence. The finance minister has also spelt out major reforms in tax administration that will give greater clarity and an assurance of a stable policy to foreign and domestic investors. The plan to reduce the fiscal deficit gradually to 3% is good for economic health. The focus on increasing manufacturing activity, agri-growth and investment-led growth augurs well for sustained economic recovery.

## B. INDUSTRY STRUCTURE AND DEVELOPMENT

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives such as revenue growth, profitability and asset efficiency. The automotive industry in India is one of the largest automotive markets in the world. It had previously been one of the fastest growing markets globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world. According to the Society of Indian Automobile Manufacturers (SIAM), annual vehicle sales are projected to increase to 4 million by 2015.

### Domestic Volume Growth Trends in March, 2014 and Financial Year 2013 -14

- Passenger vehicle volume declined by 7.3% YoY in March, 2014 and 6.10% in the financial year 2013-14
- Commercial vehicle volumes contracted by 24.5% YoY in March, 2014 and 20.20% in the financial year 2013-14
- Two-Wheeler volume grew by 21.20% YoY in March, 2014 and 7.30% in the financial year 2013-14
- Three-Wheeler volume declined by 6.00% YoY in March, 2014 and 10.90% in the financial year 2013-14
- Unseasonal rainfall slackened growth in the Tractor Segment
- The overall automobile sectors' growth declined in the financial year 2013-14

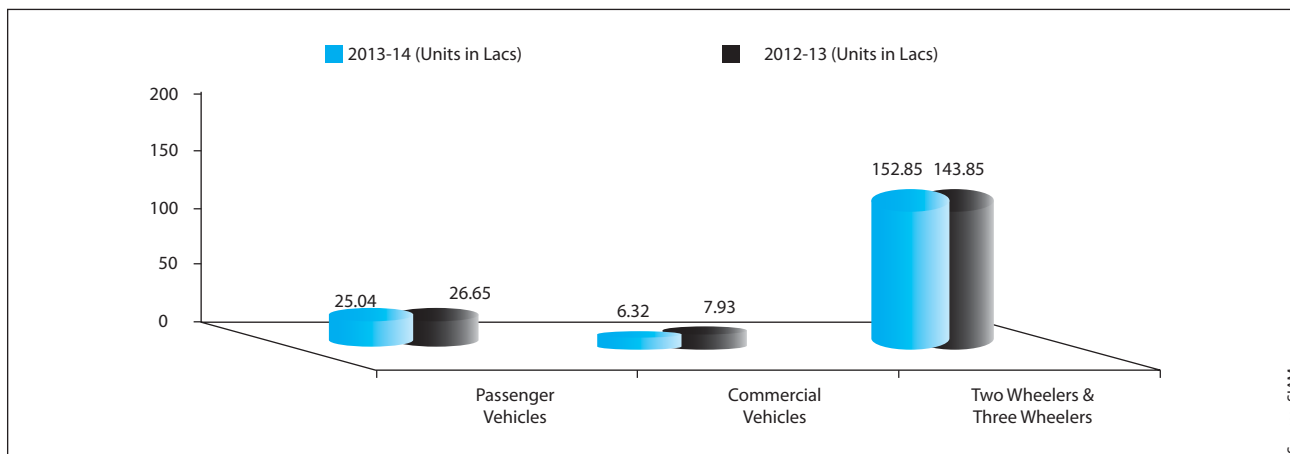
## C. INDUSTRY PERFORMANCE ANALYSIS

The Industry started the year 2013-14 with low growth on a lower note as it is evident from the figures released by Society of Indian Automobile Manufacturers (SIAM) as given below. The Auto Sector was impacted severely due to overall market sentiments making customers defer their purchase and has virtually stagnated. The business scenario is likely to continue to be cautious in 2014-15 due to expected changes in the political environment, but with a sense of optimism of the new government.



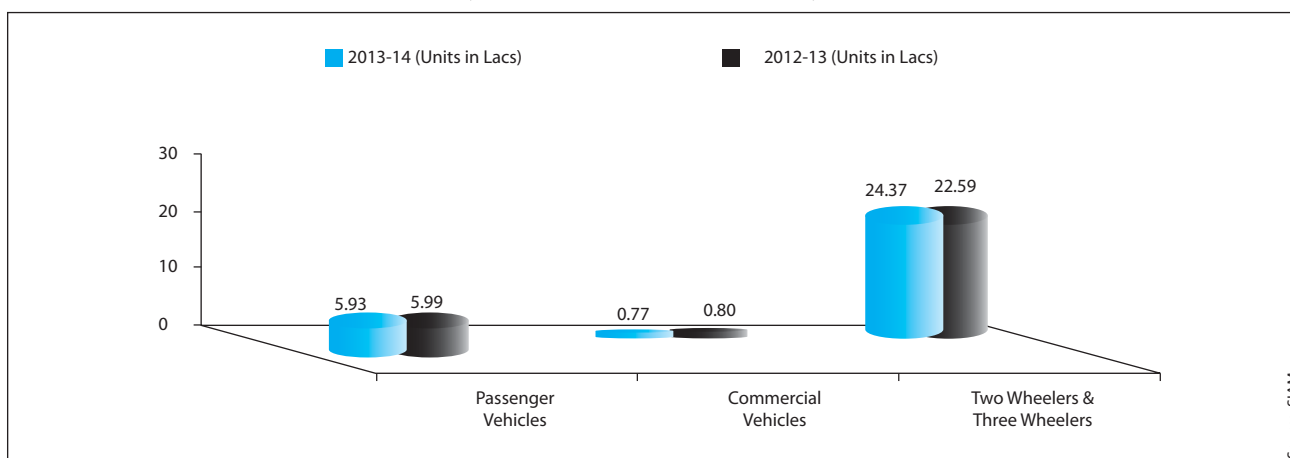
**i. DOMESTIC SALES**

The total domestic sales for the financial year 2013-14 recorded 4% growth at 18,421,538 units as against 17,793,701 units sold during the financial year 2012-13. The passenger vehicle sales dropped by 6.10% and the commercial vehicle sales registered 20.20% de-growth. Two and three-wheeler segment recorded a growth of 6.20% in the financial year 2013-14.



**ii. EXPORTS**

The total exports volumes for the financial year 2013-14 registered at 31,07,893 units as against 28,98,907 units in the financial year 2012-13, marking 7% growth. The passenger vehicle exports stood 6% higher and commercial vehicle sales declined by 4%. Two and three-wheeler export recorded a healthy growth of 7.88% in the financial year 2013-14.



**D. BUSINESS PERFORMANCE**

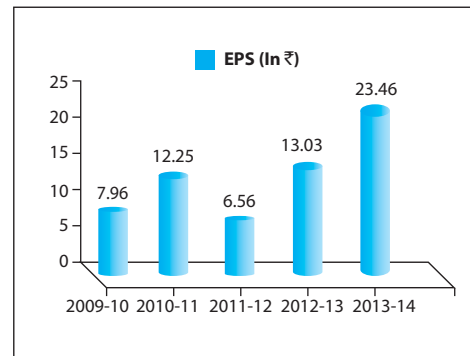
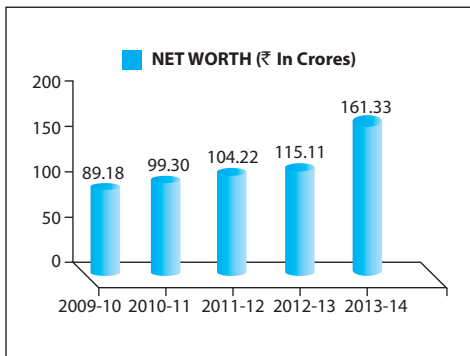
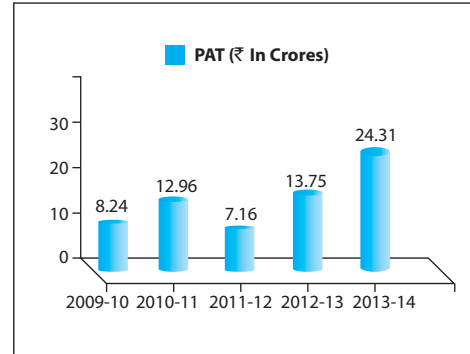
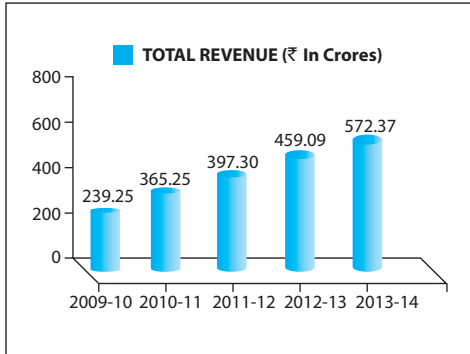
**i. FINANCIAL/ OPERATIONAL PERFORMANCE & ANALYSIS (CONSOLIDATED)**

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

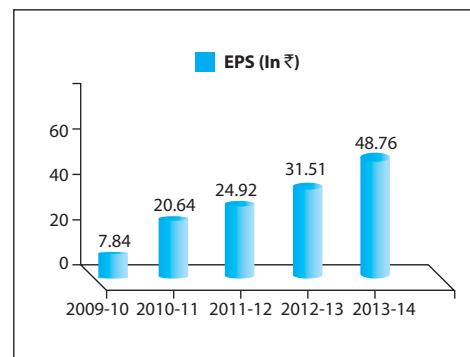
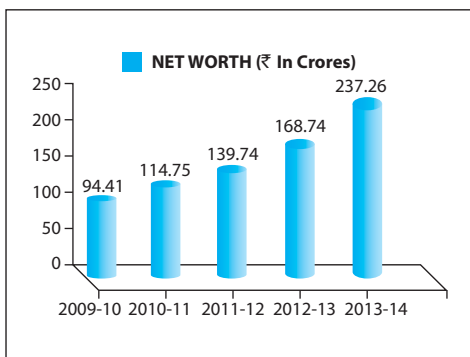
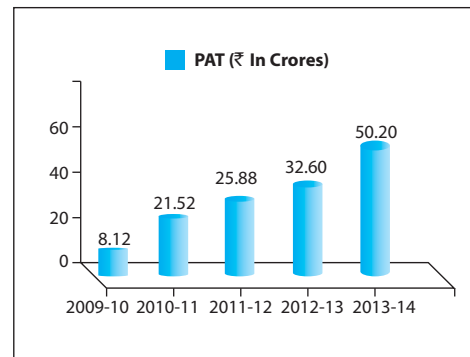
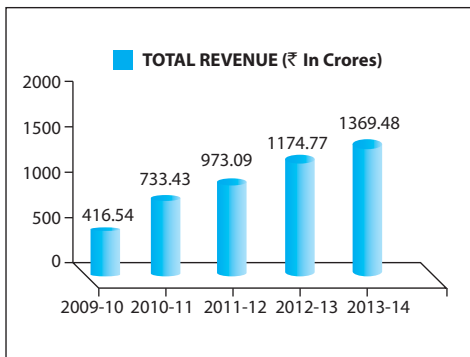
- Total Revenue increased to ₹ 1369.48 crores in the financial year 2013-14 from ₹ 1174.77 crores in previous year, an increase of 16.57%.
- Profit After Tax increased to ₹ 50.20 crores in the financial year 2013-14 from ₹ 32.60 crores in previous year, an increase of 53.99%;
- Net worth of the Company as on 31st March, 2014 is ₹ 237.26 crores as compared to ₹ 168.74 crores in the previous year, an increase of 40.60%.
- The Book Value Per Share has increased to ₹ 183.61 as compared to ₹ 140.94 per share in the previous year, an increase of 30.28%.
- Earning Per Share (EPS) has increased to ₹ 48.76 per share as compared to ₹ 31.51 per share in the previous year, an increase of 54.74%.

The Company launched, its first True Low Floor Bus – 'CITYLIFE' in the Auto Expo 2014. State-of-the-art technology deployed in 'CITYLIFE' consists of many unique features like monocoque structure, Independent Front Suspension (IFS), Inverted Portal Axles (IPA) and Disc Brakes with ABS on all wheels which gives a completely low floor bus with superior ride and handling with enhanced safety. This puts 'CITYLIFE' as the first of its kind in the Domestic market and provides distinct advantages over competition. 'CITYLIFE' is expected for roll out by the end of Quarter 3 of the current fiscal year.

**ii. STANDALONE PERFORMANCE OF YOUR COMPANY FOR PAST 5 YEARS**



**iii. CONSOLIDATED PERFORMANCE OF YOUR COMPANY FOR PAST 5 YEARS:**



**iv. SEGMENT WISE PERFORMANCE**

The segment wise performance of the Company during 2013-14 is as follows:

(₹ in Crores)

Particulars	Sheet Metal Division		Tool Room Division	
	2013-14	2012-13	2013-14	2012-13
Gross sales	511.16	413.18	132.49	100.25
Gross Profit before unallowable expenditures & interest	31.53	35.07	19.74	12.43

**E. WORKING CAPITAL MANAGEMENT**

Your Company follows prudent working capital management practices and adequate planning for managing its day-to-day requirements of working capital funds. The Company focuses on timely receivables realizations (mostly through RTGS mode) and optimum inventory levels considering the JIT supply to customers which helps in reducing the working capital requirement. The funds are borrowed from banks to bridge the working capital gap on weekly basis to avoid fixed liability of interest.

**F. RISKS & CONCERNS**

The fostering of a healthy national automotive industry requires stable government policies both at 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 of steel
- Increase in petroleum prices reduces the purchasing power of the customer which results in decrease in sales of automobiles
- Increase in interest rate by banks
- Slowdown in the economy
- Currency depreciation
- Credit and default risks

**RISK MITIGATION MEASURES**

- Implement cost reduction through budgetary control of operating expenses;
- Retain and motivate talent by focused employee development programs;
- Process improvements projects in both manufacturing and administrative areas to sustain growth for future so as to increase business competence;
- Diversification into new product lines so as to ensure the sustainable growth for the future;
- The Company has an appropriate policy for transactions in foreign exchange. Appropriate hedging strategy is followed without exposures to undue risk. Most of the foreign currency exposures are hedged.
- Emphasis on Research & Development

**G. 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 has an experienced team of Internal Auditors which carries out Internal Audit across all the locations of the Company aimed at promoting effectiveness & efficiency of operations while emphasizing the 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 an effective budgetary control system in place wherein the Management Review Team on monthly basis reviews the actual performance with reference to budget.

## H. HUMAN RESOURCE

The Company's HR process ensures 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 behavior 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.

The Company observe special weeks e.g. Safety, Quality, 5-S week and Kaizen week. Apart from these formal weeks, we have various celebrations such as Environment Day, Annual day, Women's Day, Health and Yoga Classes, blood donation camps, environment day celebration 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.

To harness the leadership skills of the employees, the Company has extended the "DRIVE" Leadership Development Programme, which is conducted in association with the Global Management Consulting firm, Hay Group. This step helped the Company in developing a team of young employees at the middle management level as prospective leaders.

The Company had 615 permanent employees as on 31st March, 2014. The industrial relations remained peaceful and cordial throughout the year.

## I. SKILL DEVELOPMENT

Your Company has established a modern Skill Development Centre at Faridabad to develop skilled & employable manpower in the Manufacturing sector to meet the present & future challenges of trained personnel more specifically for Tool & Die Making, CNC Machining, Fitting & Assembly, and Automobile Assembly & Structure Fabrication. Dual system of training provides opportunity for both classrooms as well as on job training in plants to the trainees. Initiative of Skill Development Centre is aligned to "Skilling India" to overcome the lack of skills amongst a vast majority of the young and unemployed population.

The Centre is registered as Vocational Training Provider (VTP) under Skill Development Initiative Scheme (SDIS) of Government of India.

## J. CORPORATE SOCIAL RESPONSIBILITY

The Company's Social responsibility is embedded in business model as it believes that contribution to economic, societal and environmental capital ensures long-term business sustainability and competitiveness. The Company has organized Blood Donation Camps in collaboration with the Indian Red Cross Society.

### **The Company's committed efforts in this direction include:**

- i. Effective management of operational activities to minimize the adverse impact of operations on the environment, health and safety.
- ii. Implementing effective policies for environment conservation.
- iii. Established an environmental health and safety management team the continually monitors, sets and reviews the environment, health and safety objectives and targets.
- iv. Reduce waste and implement effective recycling of waste at manufacturing operations. Going forward, the Company will continue to align it's business development to support inclusive growth, social equity and concern for the environment, thereby creating value for all the stakeholders.

## **K. ENVIRONMENT, HEALTH & SAFETY (EHS)**

The Company is committed to provide high quality products without adversely affecting the natural resources, environment, health and safety of all the stakeholders. The Company is committed to:

- i. establish, measure, monitor, assess and continually improve health, safety and environmental performance through compliance management and control of hazardous waste.
- ii. comply all environmental, occupational health & Safety (OH&S) and other statutory/ regulatory requirements.
- iii. regularly upgrade knowledge & skill of employees through professional development & training.

## **L. OPPORTUNITIES & THREATS**

### **i. 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
- Favorable and predictable business environment
- Availability of auto grade technically advanced material
- Increasing fuel prices.

### **ii. 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
- Growth in per capita income improves the purchasing capacity
- Willingness to accept newer models

### **iii. INDIA IS THE MOST FAVOURED INVESTMENT DESTINATION**

- Large & growing domestic demand
- Product Development
- Availability of skilled manpower
- High Quality Standards
- Export capabilities
- Conversant with Global Automotive Standards
- Respect for Intellectual Property
- Growing IT capabilities
- Strong Entrepreneurship
- Flexibility in Small Batch production

## **M. MACROECONOMIC POLICIES AFFECTING THE AUTO INDUSTRY**

In most of the countries, the level of automotive production is closely correlated to domestic or regional automotive sales and sales is closely related to disposable income levels, interest rates, and finance availability and consumer confidence. Therefore, the national macroeconomic and monetary policies which produce stability and consistency in the per capital GDP 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 under:

- 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;

#### **N. 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 forces to operate.

The microeconomic factors which encourage automotive production and sales are as under:

- 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 & up-gradation of custom procedures;
- Harmonization of automotive safety and emissions standards and certifications;
- Regional integration to achieve economies of scale;
- Reducing distortion impact of duty and commodity tax policies;
- Ease and availability of consumer and investment financing.

#### **O. BUSINESS OUTLOOK**

The prospects of the auto component industry are closely linked to the economic growth. The Company has been continuously working on improving its operating efficiency, quality, diversifying its product range and adding optimal capacity as per the requirements of the customers. The Company will safeguard its culture of continuous improvements, teamwork, discipline and stakeholder sensitivity.

It is expected that the new and stable Central Government will bring economic stabilization, growth in economy and boost investment climate and market sentiment. Hence, the revenue in the coming years is expected to be better than the previous years.

#### **CAUTIONARY STATEMENT**

*The expression and opinion expressed in this section of the Annual Report consists of 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 our 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 ON CORPORATE GOVERNANCE

JBM Auto Limited ("JBM Auto" or the "Company") is committed to conduct its business in compliance of the applicable laws, rules and regulations and with the highest standards of business ethics. We, at JBM Auto, believe that good Corporate Governance is a key contributor to sustainable corporate growth and creating superior value for our stakeholders. It is primarily concerned with transparency, accountability, fairness, professionalism, social responsiveness, complete disclosure of material facts and independence of the Board. JBM Auto endeavours to constantly comply with these aspects in letter and spirit, in addition to the statutory compliances as required under clause 49 of the Listing Agreements with the Stock Exchanges.

## 2. BOARD OF DIRECTORS

The Company has an optimum combination of Executive and Non-Executive Directors to ensure the independent functioning of the Board.

### (a) Composition of the Board

As on 31st March, 2014 the Board of Directors of the Company consists of 6 (Six) Directors (1 Executive Director and 5 Non-Executive Directors). The Board comprises 3 (three) promoter Directors (including one Executive Director and Non-Executive Chairman) and 3 (three) independent Directors who do not have any material pecuniary relationship or transaction with the Company, its promoters, Directors and senior management personnel, which may affect their independence.

All Independent Directors are person of eminence and bring a wide range of expertise to the Board thereby ensuring best interest of the stakeholders and the Company. The Board reviews the corporate performance periodically and safeguards the interest of the stakeholders. The Executive Director looks after day-to-day management under supervision and control of the Board of Directors of the Company.

The details of Directors, category of directors, no. of other directorship/ committee membership held by them as on 31st March, 2014 are given below:

Sl. No.	Name of Directors	Category	No. of other Directorship(s)*	No. of other Committee(s)**	
				Member	Chairman
1.	Mr. S. K. Arya	Non - Executive Chairman	10	3	1
2.	Mr. Ashok Kumar Agarwal	Independent	2	2	1
3.	Mr. Mahesh Kumar Aggarwal	Independent	-	1	-
4.	Mr. H. R. Saini	Executive	1	1	-
5.	Mr. Nishant Arya	Non- Executive	4	1	-
6.	Mr. Dhanendra Kumar	Independent	-	-	-

\* Excludes Directorship of Private Limited Companies, Foreign Companies, Companies incorporated under the provisions of Section 25 of the Companies Act, 1956 and alternate directorship.

\*\* Committee means Audit Committee, Stakeholders Relationship Committee.

### (b) Board Meetings

The Board met four times during the year on 23rd May, 2013, 8th August, 2013, 13th November, 2013 and 14th February, 2014. The Board meets at least once in a quarter with a time gap of not more than four months between any two meetings.

The attendance record of the Directors at the Board Meetings as well as the last Annual General Meeting (AGM) is as under:

Sl. No.	Name of Directors	No. of meetings attended (Total Meetings held : 4)	Whether attended last AGM
1.	Mr. S. K. Arya	4	Yes
2.	Mr. Ashok Kumar Agarwal	4	No
3.	Mr. Mahesh Kumar Aggarwal	4	Yes
4.	Mr. H. R. Saini	4	Yes
5.	Mr. Nishant Arya	3	Yes
6.	Mr. Dhanendra Kumar	1	N.A.

### (c) 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, etc. in advance for deliberation at the respective meeting.

## 3. CODE OF CONDUCT

The Board has laid down a code of conduct for all Board members and senior management personnel of the Company and has been circulated to all concerned. The same will be displayed on the website of the Company.

#### 4. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee, which has been constituted in accordance with the provisions of Clause 49 II of the listing agreement with the Stock Exchanges. The present terms of reference also fully conform to the requirement of Section 292A of the Companies Act, 1956. All members of the Committee have requisite financial and management expertise/knowledge and have rich experience of the industry.

##### (a) Composition, category and attendance record during the year

Sl. No.	Name	Category	Designation	Attendance (No. of meeting held : 4)	Date of Audit Committee Meeting
1.	Mr. Ashok Kumar Agarwal	Independent	Chairman	4	23.05.2013
2.	Mr. M. K. Aggarwal,	Independent	Member	4	08.08.2013
3.	Mr. S. K. Arya	Non- Executive	Member	4	13.11.2013
					14.02.2014

The Committee's terms of reference are in consistent with the SEBI Corporate Governance Code and of the Companies Act, 2013. 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 the Board, discussion with external auditors, substantial default in payment to shareholders and creditors, if any, etc.

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

#### 5. NOMINATION & REMUNERATION COMMITTEE

The Committee consists of the following Members:

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

The 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 the Board or Committee thereof.

During the financial year 2013-14, 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 2013-14 are as under: -

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	28.31	Mr. S. K. Arya	0.20	0.20	0.40
		Mr. Ashok Kumar Agarwal	0.20	0.20	0.40
Contribution to Provident and other Funds	1.95	Mr. M. K. Aggarwal	0.20	0.20	0.40
		Mr. Nishant Arya	0.15	-	0.15
		Mr. Dhanendra Kumar	0.05	-	0.05
<b>Total</b>	<b>30.26</b>		<b>0.80</b>	<b>0.60</b>	<b>1.40</b>

(₹ in Lacs)

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee specifically looks into the redressal of shareholders queries and complaints.

The Committee consists of the following Members:

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

The Chief Financial Officer & Company Secretary of the Company acts as Secretary of the Stakeholders Relationship Committee.



The Committee deals with transfer, transmission, issue of duplicate share certificates, 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.

All the queries and complaints received during the financial year ended 31st March, 2014, were duly addressed and no queries were pending for resolution on that date except where they were constrained by dispute or legal impediments or due to incomplete or non-submission of documents by the shareholders.

During the year, the Company / Registrar & Share Transfer Agent - MCS Limited received 2 numbers of Shareholder's Complaints and the same were resolved within time. No Shareholder Complaint is pending as on 31st March, 2014.

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.

#### Shareholding of Directors

Name	Mr. S. K. Arya	Mr. Ashok Kumar Agarwal	Mr. M. K. Aggarwal	Mr. H. R. Saini	Mr. Nishant Arya
No. of Shares held	1,01,749	-	-	1,593	84,850

#### 7. 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 the Board of Directors of the Company and reviewed in detail.

#### 8. ANNUAL GENERAL MEETING (AGM)

Details of locations of the last three Annual General Meetings (AGMs);

AGM for the financial year	Date & Time of AGM	Venue	Special Resolution(s) passed
2012 - 13	9th September, 2013 at 12:30 P.M.	M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054	Issue of securities of the Company on private placement basis not exceeding ₹ 30 Crore
2011 - 12	26th September, 2012 at 5:00 P.M.	M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054	<ul style="list-style-type: none"> <li>Appointment of Mr. H. R. Saini as Whole Time Director (designated as Executive Director) of the Company for a period of 2 years w.e.f. 7th June, 2012.</li> <li>Investment of the Company's funds by acquiring equity shares by subscription, purchase or otherwise in JBM MA Automotive Pvt. Ltd. up to ₹10 Crore.</li> </ul>
2010 - 11	15th September, 2011 at 12:30 P.M.	M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054	Investment of the company's funds by acquiring equity shares by subscription, purchase or otherwise in JBM Ogihara Automotive India Ltd. up to ₹ 20 Crore.

- No resolution was either required or passed through postal ballot in last three years.
- No resolution was passed through postal ballot in this year also.

#### 9. DISCLOSURES

- During the financial year 2013-14, other than the transactions entered into in the normal course of business 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 personnel or their relatives, which could have a potential conflict with the interest of the Company.

- ii. The Audit Committee is informed about all related party transactions undertaken by the Company.
- iii. 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 the Company.
- iv. In the preparation of financial statements for the year 2013-14, the Company has followed Accounting Standard as notified under Companies (Accounting Standard) Rules, 2006 and treatment prescribed therein.
- v. The Company has a Code of Conduct for its Board and Senior Management personnel (as per Code of Corporate Governance). The Company has obtained a compliance certificate from all concerned.
- vi. 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.
- vii. The Company has formulated a Whistle Blower Policy for establishing a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud and violation of code of conduct of the Company, etc.
- viii. The Company is complying with mandatory requirements and partly complies with non-mandatory requirements such as:
  - (a) re-imburement of expenses to non-executive chairman;
  - (b) Nomination and Remuneration Committee of all independent & non- executive directors;

## 10. MEANS OF COMMUNICATION

The Company publishes unaudited quarterly / half-yearly financial results reviewed by the Auditor and the audited annual financial results in newspapers. The said results are also informed to Stock Exchanges where the 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 either two of the following newspapers: The Economic Times, Financial Express (English Edition), Business Standard (English Edition) and The Economics Times & Jansatta (Hindi Edition)

## 11. GENERAL SHAREHOLDERS INFORMATION

### (i) Annual General Meeting

Date and Time	:	24th September, 2014 at 11:00 A.M.
Venue	:	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2 A.P.S. Colony, Delhi Cantt., New Delhi -110010

### (ii) Financial Year

#### Tentative Financial Calander

Result for quarter ending 30.06.2014	:	July/ August, 2014
Result for quarter ending 30.09.2014	:	October/November, 2014
Result for quarter ending 31.12.2014	:	January/February, 2015
Result for year ending 31.03.2015	:	April/May, 2015

### (iii) Date of Book Closure for Dividend purpose.

6th September, 2014 (for 1 day).

### (iv) E-voting commencement date & time:

E-voting shall start on Thursday, 18th September, 2014 at 9:00 a.m.

### (v) E-voting end date & time:

E-voting shall end on Saturday, 20th September, 2014 at 6:00 p.m.  
No member shall be allowed to make electronic vote beyond this period.

### (vi) Cut-off date for E-voting:

Members holding shares in physical form or in Demat form as on 22nd August, 2014 shall be eligible for e-voting for the 18th Annual General Meeting.

### (vii) Dividend Payment Date

Dividend for the financial year 2013-14, if declared, will be paid within 30 days from the date of Annual General Meeting.

### (viii) Listing on Stock Exchanges

The equity shares of the Company are listed and traded on the following Stock Exchanges:

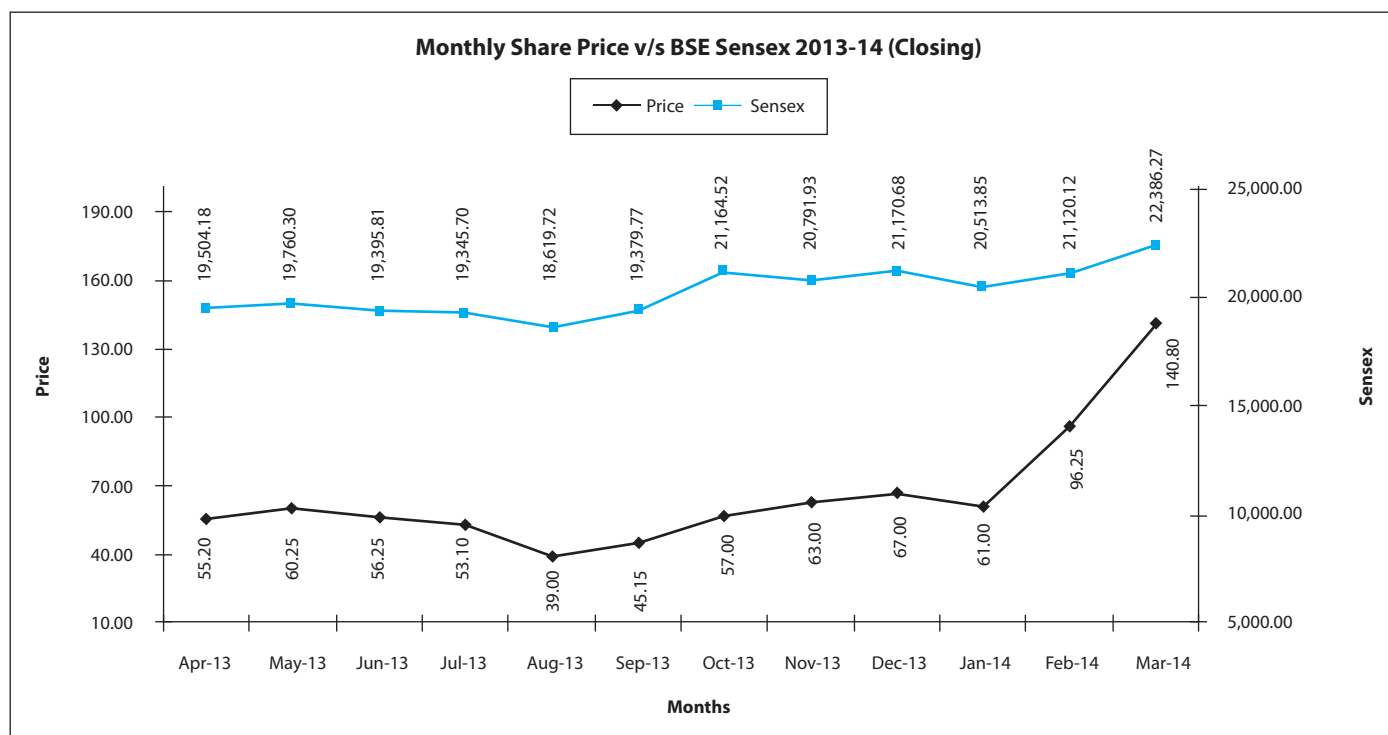
SL. NO.	NAME & ADDRESS OF STOCK EXCHANGES	STOCK / SCRIP CODE
1.	<b>BSE Limited ("BSE")</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Tel. No. 022-22721233/34, Fax: 022-22721919	<b>532605</b>
2.	<b>National Stock Exchange of India Limited ("NSE")</b> Exchange Plaza, 5th Floor, Plot No.- C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, Tel.: 022-26598110-14, Fax : 022-26598120	<b>JBMA</b>
ISIN No. for CDSL and NSDL: <b>INE 927D 01010</b>		

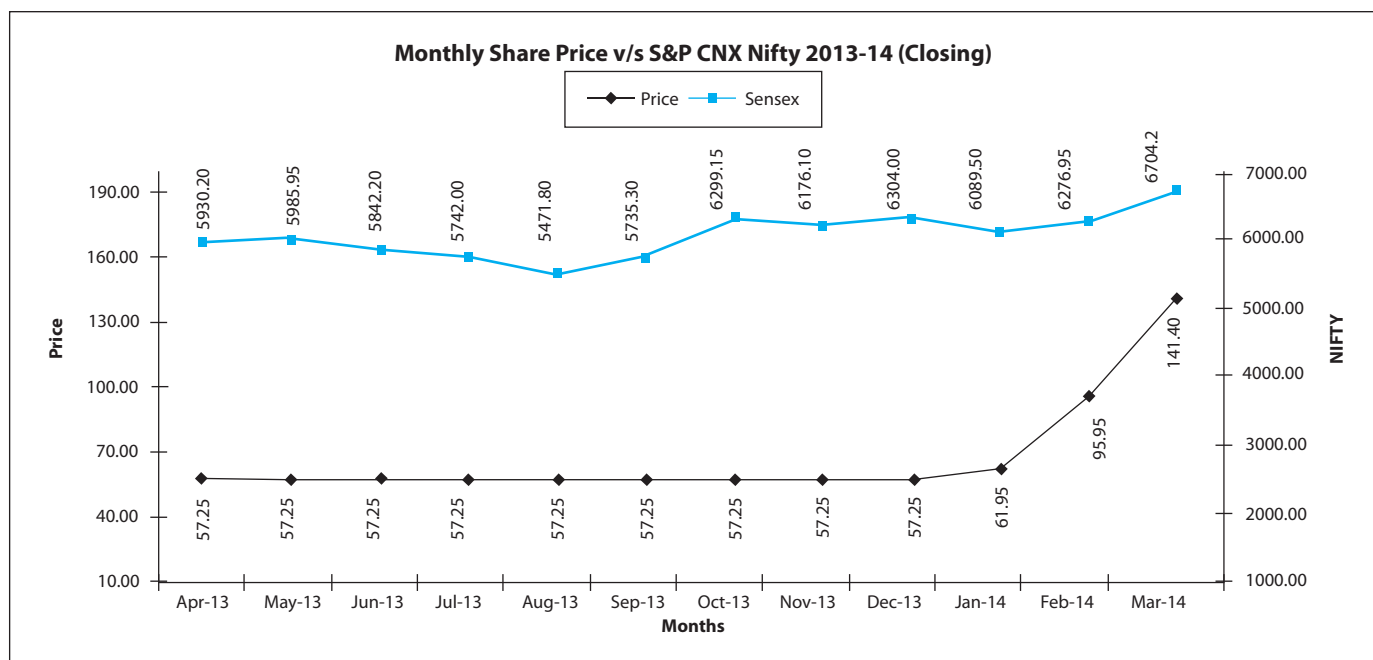
The annual listings fees for the financial year 2014-15 have been paid to the above Stock Exchanges and the annual custodian fee for the said financial year have also been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## 12. STOCK MARKET DATA

(a) **Share Price Movement: The monthly High/Low Prices and Volume during the financial year 2013-14 is as follows:**

Month	BSE Limited ("BSE")			National Stock Exchange of India Ltd. ("NSE")		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
April, 2013	67.80	55.20	7,685	64.00	56.35	1,217
May, 2013	66.00	47.15	9,439	-	-	-
June, 2013	68.90	54.55	5,583	-	-	-
July, 2013	56.20	53.05	4,820	-	-	-
August, 2013	57.70	39.00	2,326	-	-	-
September, 2013	47.00	40.95	124	-	-	-
October, 2013	67.00	47.00	9,602	-	-	-
November, 2013	63.75	58.10	2,536	-	-	-
December, 2013	67.40	60.05	9,926	-	-	-
January, 2014	68.95	60.00	14,261	67.55	60.00	15,077
February, 2014	96.25	60.60	2,48,133	95.95	59.00	58,643
March, 2014	140.80	97.10	3,85,653	141.40	97.00	7,98,043





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

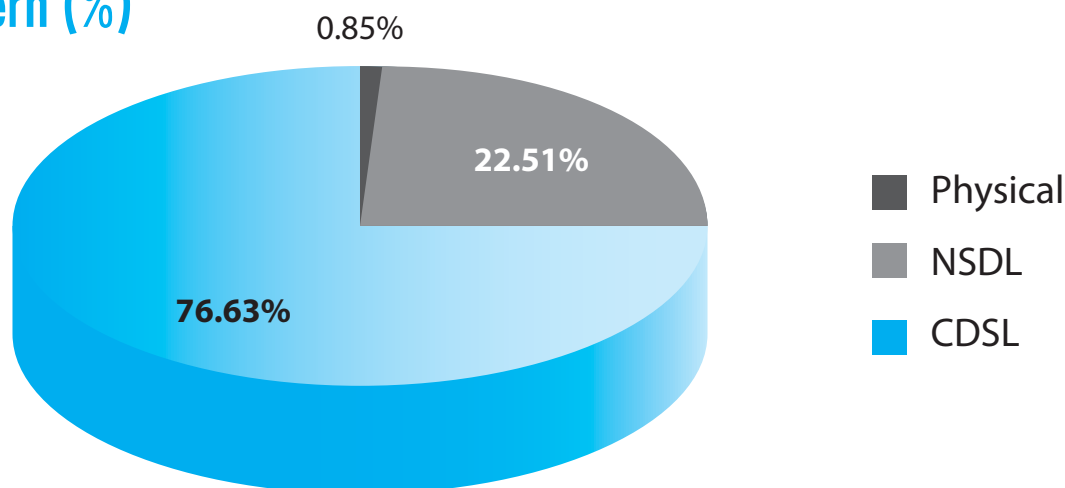
(c) **Distribution of Shareholding as on 31st March 2014**

No. of equity shares held	Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
1 - 500	6800	94.04%	387905	3.80%
501 - 1000	206	2.85%	158721	1.56%
1001 - 2000	90	1.25%	135141	1.33%
2001 - 3000	44	0.61%	115753	1.13%
3001 - 4000	18	0.25%	63661	0.62%
4001 - 5000	14	0.19%	66151	0.65%
5001 - 10000	22	0.30%	170347	1.67%
10001 - 50000	23	0.32%	597641	5.86%
50001 - 100000	4	0.05%	298594	2.93%
100001 and Above	10	0.14%	8204927	80.45%
<b>Total</b>	<b>7231</b>	<b>100.00</b>	<b>10198841</b>	<b>100.00</b>

(d) **Category of Shareholders holding shares in a company as on 31st March, 2014**

Category	No. of Shareholders	Percentage (%)	Shares Held	Percentage (%)
Physical	2412	33.36	87118	0.85
NSDL	3238	44.78	2296221	22.51
CDSL	1581	21.86	7815502	76.63
<b>Total</b>	<b>7231</b>	<b>100.00</b>	<b>10198841</b>	<b>100.00</b>

## shareholding pattern (%)



(e) **Valuation of Shares:** The closing price of the Company's share as on 31st March, 2014 on the Stock Exchanges is given below.

Sl. No.	Name of the stock exchanges	Share price
1.	BSE Limited ("BSE")	₹ 140.80
2.	National Stock Exchange of India Ltd. ("NSE")	₹ 141.40

(f) **Market Capitalization:** Based on the closing quotation of Rs.141.40 as at March 31, 2014 at NSE, market capitalization of the Company works out to be ₹ 14421 Lacs.

(g) **Category wise Shareholding as on 31st March 2014:**

Category code	Category of Shareholder	Number of Shareholders	Percentage (%)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
1	Indian	6322586	61.99
2	Foreign	-	-
	<b>Sub Total (A)</b>	<b>6322586</b>	<b>61.99</b>
<b>(B)</b>	<b>Public shareholding</b>		
<b>1</b>	<b>Institutions</b>		
(a)	Mutual Funds/ UTI	23,907	0.23
(b)	Financial Institutions / Banks	300	0.003
(c)	Central Government/ State Government(s)	-	-
(d)	Insurance Companies	1080	0.01
(e)	Foreign Institutional Investors	120	0.001
	<b>Sub-Total (B)(1)</b>	<b>25407</b>	<b>0.25</b>
<b>2</b>	<b>Non-institutions</b>		
(a)	Bodies Corporate	2454433	24.07
(b)	Individual shareholders holding nominal share capital up to ₹ 1 lac	871014	8.54
(c)	Individual shareholders holding nominal share capital in excess of ₹ 1 lac.	496476	4.87
(d)	NRI/OCBs	28925	0.2
	<b>Sub-Total (B)(2)</b>	<b>3850848</b>	<b>37.76</b>
	<b>Total Public Shareholding (B)(1) + (B)(2)</b>	<b>3876255</b>	<b>38.01</b>
	<b>Grand Total:</b>	<b>10198841</b>	<b>100.00</b>

(h) **Outstanding GDR/ADR/warrants or any other convertible instruments**

The Company has no outstanding GDR/ADR/Warrants or any other convertible Instruments as on 31st March, 2014.

**13. ADDRESSES:**

Investors/ shareholders correspondence may be addressed either to the Company at its registered office or to its Registrar & Share Transfer Agent at the following respective address(s):

**Mr. Vivek Gupta**  
**Chief Financial Officer**  
**& Company Secretary**  
JBM Auto Limited  
601, Hemkunt Chamber  
89, Nehru Place,  
New Delhi - 110 019.  
Tel.: 011 - 26427101-06  
Fax: 011 - 26511512  
E-mail: vgupta@jbm.co.in

**MCS Limited**  
**(Unit: JBM Auto Ltd.)**  
F -65, 1st Floor,  
Okhla Industrial Area, Phase - I  
New Delhi – 110 020.  
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 investors' grievances. The investors can post their grievance to the specific Email ID i.e. jbminvestor@jbm.co.in

**14. PLANT LOCATIONS:**

- i. Plant I - Plot No. 133, Sector-24, Faridabad-121005, Haryana Ph: +91-129-4090200; Fax: +91-129-2234230.
- ii. Plant II - Plot No. 5, Sector-31, Kasna Industrial Area, Greater Noida-201306, Uttar Pradesh.
- iii. Plant III - 71-72, MIDC, Satpur Nashik – 422007, Maharashtra.
- iv. Plant IV - Plot No. B-2, Survey No.1, Tata Motors Vendor Park, Sanand - 382170, Ahmedabad, Gujarat.
- v. Plant V - Plot No. 118, Sector – 59, HSIDC, Industrial Estate, Ballabhgarh - 121004, Faridabad, Harayana.
- vi. Plant VI - A-4, Industrial Estate, Kosi Kotwan, Dist. Mathura, Uttar Pradesh.
- vii. Plant VII - Plot No. 157-E Sector-3, Pithampur Industrial Area, District- Dhar - 454775, Indore, Madhya Pradesh.
- viii. Plant VIII - Plot No. SP-891, Pathredi Industrial Area, Bhiwadi, Distt. Alwar - 301707, Rajasthan.

**15. SKILL DEVELOPMENT CENTRE (SDC)**

Plot No. 16, Sector - 20B, Faridabad – 121007, Haryana.

**16. CORPORATE GOVERNANCE CERTIFICATE**

The Auditors' 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.

**CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR 2013-14**

To the best of my knowledge and belief and information available with me, I hereby declare that all Board Members and Senior Management Personnel of M/s JBM Auto Limited have complied with Code of Conduct during the financial year 2013-14 (as applicable on them).

**Place:** Gurgaon (Haryana)

**Date:** 30th May, 2014

**Sd/-**  
**(H. R. Saini)**  
**Executive Director**

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS ON CORPORATE GOVERNANCE

### To the Members of JBM Auto Limited

We have examined the compliance of conditions of Corporate Governance by JBM Auto Ltd. for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures 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 statements 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) is 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  
FRN: 000517N

Place: Gurgaon (Harayana)  
Date: 30th May, 2014

Sd/-  
**(GEETIKA MEHRA)**  
Partner  
M No: 510525



## CEO AND CFO CERTIFICATION

30th May, 2014

The Board of Directors  
JBM Auto Limited  
601, Hemkunt Chambers  
89, Nehru Place  
New Delhi -110 019.

### Sub: Annual Certificate of Compliance for the Financial Year 2013-14

Sir,

We, H. R. Saini, Executive Director and Vivek Gupta, CFO & Company Secretary of the Company hereby state that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 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 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,

Sd/-  
**(H. R. Saini)**  
Executive Director

Sd/-  
**(Vivek Gupta)**  
Chief Financial Officer &  
Company Secretary

# independent auditor's report

## To the Members of JBM Auto Limited Report on the Financial Statements

We have audited the accompanying financial statements of JBM Auto Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. 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;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report, comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**R.K. Mehra**  
Partner  
Membership Number: 6102

Date : May 30, 2014  
Place : Gurgaon (Harayana)

## annexure

- (i) a) Proper records for fixed assets showing full particulars including quantitative details and situation has been maintained.
- b) 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.
- c) No substantial parts of fixed assets have been disposed off during the year.
- (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, 2014, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to / from Companies, firms or other parties as covered in the Register maintained under Section 301 of the Companies Act, 1956.  
  
In respect of unsecured loans taken from a party 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 Rs.1230.00 Lacs and year-end balance is Rs.Nil.
- (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. According to information & explanations given to us, we have not come across any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) a) The particulars of contracts or arrangements that need to be entered into the Register maintained under section 301 have been so entered.

- 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.
- (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, and rules framed their under.
- (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 before us, we are of the opinion that prima facie, the cost records and accounts prescribed by the central government under clause (d) of sub section (1) of section 209 of the Companies Act, 1956, have been maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- (ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, Sales-Tax, Custom Duty, Excise-Duty, Cess, Service-Tax and other statutory dues applicable to it. However, few delays have been noticed in deposit of Tax Deducted at source, WCT, E.S.I. and Provident fund.
- b) According to information and explanations given to us, no undisputed amount payable in respect of Income-Tax, Wealth-Tax, Sales-Tax, Custom Duty and Excise-Duty were outstanding as at 31st March 2014, for a period of more than six months from the date they become payable.
- c) Dues of Sale Tax, Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute are as under:

Name of the Statute	Demand pertains for the year	Forum where dispute is pending	Nature of the Dues	Amount (₹ in lacs)
a) Central Excise Act,1944	1999-2000	CCE Delhi - IV	Duty liability on Modification charges including Penalty	30.72
b) Central Excise Act,1944	2000-01	CESTAT, New Delhi	Duty on Retention of Tools & Dies	7.72
c) Central Excise Act,1944	2007-08	CCE Delhi – IV	1) Differential excise duty on clearances of tipper bodies	226.56
d) Central Excise Act,1944	2006-07 & 2008-09	CESTAT, New Delhi	1) Differential excise duty on clearances of tipper bodies 2) Wrong availment of Credit	62.34
e) Central Excise Act,1944	2009-10	CESTAT, Kolkata	Wrong availment of credit	4.55
f) Service Tax (Finance Act, 1994)	2001-02	CESTAT, New Delhi	Service tax & penalty	18.40

- (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 Financial Institutions or Banks.
- (xii) In our opinion 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 provision of any special statute applicable to chit fund /nidhi /mutual benefit fund/societies is not applicable to the company.
- (xiv) The company is not dealing or trading in shares, securities debentures and other securities.
- (xv) The Company has not given any guarantee for loans taken by others from banks or Financial Institutions.
- (xvi) The term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the Cash Flow Statement and other records examined by us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.

- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- (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.
- (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.

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

**R.K. Mehra**  
Partner  
Membership Number: 6102

Date : May 30, 2014  
Place : Gurgaon (Harayana)

# balance sheet as at 31st march, 2014

(₹ in Lacs)

	NOTE NO.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>	2		
(a) Share Capital		2019.88	1519.88
(b) Reserves and Surplus		15113.21	10491.50
		17133.09	12011.39
<b>Non-Current Liabilities</b>	3		
(a) Long term borrowings		4911.11	6701.13
(b) Deferred Tax Liability (Net)		1969.61	1392.10
(c) Other Long term Liabilities		295.90	-
		7176.62	8093.22
<b>Current Liabilities</b>	4		
(a) Short-term borrowings		11374.14	10697.32
(b) Trade payables		11354.66	5710.52
(c) Other current liabilities		10701.04	7302.94
(d) Short-term provisions		552.93	550.37
		33982.77	24261.14
<b>TOTAL</b>		58292.49	44365.76
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets (Net)	5	25143.24	16804.62
(i) Tangible Assets		19072.77	13533.85
(ii) Intangible Assets		641.82	70.24
(iii) Capital Work in Progress		5428.65	3200.53
(b) Non-current investments	6	7132.78	7132.78
(c) Long term loans and advances	7	574.60	679.80
(d) Other non-current assets	8	431.07	965.64
		33281.69	25582.83
<b>Current assets</b>	9		
(a) Inventories		7394.58	5633.50
(b) Trade receivables		14389.93	11072.32
(c) Cash and Bank Balances		266.46	153.68
(d) Other current assets		2959.84	1923.42
		25010.81	18782.93
<b>TOTAL</b>		58292.49	44365.76
Significant Accounting Policies	1		
Notes 1 to 34 form integral part of Financial Statements			

As per our report attached

**For Mehra Goel & Co.**

Chartered Accountants

FRN: 000517N

**R.K. Mehra**

Partner

M.No. 6102

Place : Gurgaon (Haryana)

Dated : 30th May, 2014

**S.K. Arya**

Chairman

**H.R. Saini**

Executive Director

**Nishant Arya**

Director

**Ashok Kumar Agarwal**

Director

**M.K. Aggarwal**

Director

**Vivek Gupta**

Chief Financial Officer  
& Company Secretary

# statement of profit and loss for the year ended 31st march, 2014

(₹ in Lacs)

	NOTE NO.	Figures for the current reporting period	Figures for the previous reporting period
<b>I. Revenue from Operations</b>			
Gross Revenue from Operations	10	64427.07	51434.91
Less : Excise duty/Service tax		7846.44	6217.57
Net Revenue from Operations		56580.63	45217.34
<b>II. Other Income</b>	11	656.69	691.37
<b>III. Total Revenue (I+II)</b>		57237.32	45908.72
<b>IV. EXPENSES</b>			
Cost of materials consumed		41529.66	31037.85
Changes in inventories of finished goods & work in progress	12	(436.28)	725.63
Employee benefits expense	13	4368.57	3927.52
Finance costs	14	2153.90	2595.18
Depreciation and amortization expense	5	1435.98	1183.05
Other expenses	15	4795.78	4409.23
<b>TOTAL EXPENSES</b>		53847.61	43878.45
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		3389.72	2030.26
<b>VI. Exceptional items</b>		-	28.97
<b>VII. Profit before tax (V+VI)</b>		3389.72	2059.23
<b>VIII. Tax Expense</b>			
(1) Current year		637.29	624.58
(2) MAT Adjusted		(256.25)	-
(3) Deferred tax		577.51	8.77
(4) Earlier years		0.01	50.59
		958.56	683.94
<b>IX. Profit after tax for the year (VII-VIII)</b>		2431.15	1375.29
<b>X Earning per equity share:</b>	16		
(1) Basic		23.46	13.03
(2) Diluted		23.46	13.03
Significant Accounting Policies	1		
Notes 1 to 34 form integral part of Financial Statements			

As per our report attached

**For Mehra Goel & Co.**

Chartered Accountants

FRN: 000517N

**R.K. Mehra**

Partner

M.No. 6102

**S.K. Arya**

Chairman

**Nishant Arya**

Director

**M.K. Aggarwal**

Director

**H.R. Saini**

Executive Director

**Ashok Kumar Agarwal**

Director

**Vivek Gupta**

Chief Financial Officer  
& Company Secretary

Place : Gurgaon (Haryana)

Dated : 30th May, 2014

# cash flow statement for the year 2013-14

(₹ in Lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES :	March, 2014		March, 2013	
	<b>Net Profit before tax and extraordinary items</b>		<b>3389.72</b>	
Adjustment for :				
Depreciation	<b>1435.98</b>		1183.05	
Finance Cost	<b>2031.01</b>		2502.67	
Unrealised Exchange loss/(Gain) (Net)	<b>(47.10)</b>		45.14	
Interest income	<b>(12.98)</b>		(11.78)	
Loss on sale of assets (Net)	<b>8.50</b>		25.76	
Bad Debts/Provision for Doubtful Debts	<b>68.62</b>		29.43	
Dividend Income	<b>(367.80)</b>		(367.80)	
Exceptional (Gain)/loss	-	<b>3116.23</b>	(28.97)	3377.50
<b>Operating Profit before Working Capital Changes</b>		<b>6505.94</b>		5436.73
Adjustment for :				
Trade and other receivables	<b>(3469.15)</b>		125.88	
Inventories	<b>(1757.76)</b>		694.99	
Trade and other liabilities	<b>8558.80</b>	<b>3331.90</b>	1213.60	2034.47
<b>Cash Generated From Operations</b>		<b>9837.85</b>		7471.20
Direct taxes paid (Net)	<b>(717.77)</b>	<b>(717.77)</b>	(476.13)	(476.13)
<b>Net Cash From Operating Activities</b>		<b>9120.07</b>		6995.07
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of fixed assets/CWIP	<b>(9188.21)</b>		(3513.78)	
Proceeds from sale of fixed assets	<b>57.31</b>		32.32	
Interest received	<b>12.98</b>		11.78	
Dividend received	<b>367.80</b>		367.80	
<b>Net Cash used in Investing Activities</b>		<b>(8750.12)</b>		(3101.88)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Preference Share Capital	<b>3000.00</b>		-	
Repayment of long term loans	<b>(2946.25)</b>		(2136.15)	
Proceeds from long term loans	<b>1265.92</b>		25.46	
Increase/(Decrease) in Short Term Loans	<b>699.27</b>		1025.56	
Interest paid	<b>(2032.12)</b>		(2885.66)	
Dividend/Dividend Tax Paid	<b>(243.98)</b>		(224.29)	
<b>Net cash flow from financing activities</b>		<b>(257.16)</b>		(4195.08)
<b>Net Increase in Cash and Bank balance</b>		<b>112.78</b>		(301.90)
Cash and cash equivalents (Opening Balance)		<b>153.68</b>		455.58
Cash and cash equivalents (Closing Balance )		<b>266.46</b>		153.68

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 includes 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 ₹ 5.58 Lacs (Previous Year ₹ 5.00 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Figures in bracket represents cash outflow.

Notes 1 to 34 form integral part of Financial Statements

As per our report attached

**For Mehra Goel & Co.**

Chartered Accountants

FRN: 000517N

**R.K. Mehra**

Partner

M.No. 6102

**S.K. Arya**

Chairman

**Nishant Arya**

Director

**M.K. Aggarwal**

Director

**H.R. Saini**

Executive Director

**Ashok Kumar Agarwal**

Director

**Vivek Gupta**

Chief Financial Officer  
& Company Secretary

Dated : 30th May, 2014  
Place : Gurgaon (Haryana)



# 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 expenses 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 up to 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 OF CONSTRUCTION

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

**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:-

- a) Exchange differences relating to long term monetary items attributable to depreciable fixed assets are capitalized; and
- b) 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 short term foreign currency borrowings to the extent they are regarded as are adjustments to interest cost.

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

**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 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 : SHAREHOLDERS' FUND**

(₹ in Lacs)

	March, 2014	March, 2013
<b>(a) SHARE CAPITAL</b>		
<b>A. Authorised</b>		
1,50,00,000 Equity Shares of ₹ 10/- each	1500.00	1500.00
1,00,00,000 (P.Y. 50,00,000) Preference Shares of ₹ 10/- each	1000.00	500.00
	2500.00	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 allotment i.e. 26th December, 2009]	500.00	500.00
50,00,000 (P.Y. NIL) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each [Redeemable after 6 years from the date of allotment i.e. 14th February 2014]	500.00	-
	2019.88	1519.88

The company has one class of equity shares having par value of ₹ 10/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of director is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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. Such preference shares are redeemable after six years from the date of allotment i.e. 26th December, 2009. During the current F.Y. 2013-14, the Company has 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. These preference shares are redeemable after six years from the date of allotment i.e. 14th February, 2014. 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.

Shareholding Pattern (Refer Note no.17)

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

	March, 2014	March, 2013
Number of equity shares outstanding at the beginning of the year	10198841	10198841
Add/Less: Number of equity shares issued /bought back during the year	-	-
Number of equity shares outstanding at the end of the year	10198841	10198841
Number of Preference Shares outstanding at the beginning of the year	5000000	5000000
Add: Number of Preference Shares issued during the year	5000000	-
Number of Preference Shares outstanding at the end of the year	10000000	5000000

**(b) RESERVES AND SURPLUS**

<b>A. Securities Premium Account*</b>		
As per last Balance Sheet	3505.67	3505.67
Add : Premium on issue of Preference Shares	2500.00	-
	6005.67	3505.67
<b>B. General Reserve</b>		
As per last Balance Sheet	425.00	315.00
Add : Transferred from Surplus balance	244.00	110.00
	669.00	425.00

(₹ in Lacs)

<b>C. Surplus</b>		
As per last Balance Sheet	<b>6560.83</b>	5580.98
Add:- Profit after tax for the Year	<b>2431.15</b>	1375.29
Less:- Appropriations		
Proposed Dividend & Dividend Tax		
- Preference Shares	<b>44.93</b>	40.00
- Equity Shares**	<b>305.97</b>	203.98
Dividend Tax***		
- Preference Shares	<b>(6.80)</b>	6.80
- Equity Shares	<b>(34.67)</b>	34.67
Transfer to General Reserve	<b>244.00</b>	110.00
Closing Balance	<b>8438.54</b>	6560.83
<b>TOTAL (A+B+C)</b>	<b>15113.21</b>	10491.50

\* Includes premium on Preference Share Capital of ₹ 5000.00 Lacs (P.Y. ₹ 2500.00 Lacs)

\*\* @ ₹ 3 /- per share (P.Y. ₹ 2/- Per Share)

\*\*\* The company had during the year 2012-13 received dividend from subsidiary company JBM Auto System Limited amounting to ₹ 367.80 lacs on which corporate dividend tax was paid by the subsidiary company under the provision of section 115(O) of Income Tax Act 1961. The company has entitled to take benefit of same, accordingly the provision for corporate dividend tax made in the last year has been reversed in current year.

**Note 3:- NON - CURRENT LIABILITIES**

	<b>March, 2014</b>	<b>March, 2013</b>
<b>(a) LONG TERM BORROWINGS</b>		
<b>A. SECURED</b>		
<b>Term Loan from banks</b>		
In Foreign Currency*	<b>1517.24</b>	1984.40
In Rupee**	<b>4964.60</b>	4910.85
Vehicle Loans From Banks***	<b>25.37</b>	29.46
	<b>6507.21</b>	6924.71
Less: Current Maturities of long term borrowings	<b>2101.10</b>	1958.58
	<b>4406.11</b>	4966.13
<b>B. UNSECURED</b>		
Inter Corporate Deposit		
From Related parties	-	1230.00
From others	<b>505.00</b>	505.00
	<b>505.00</b>	1735.00
	<b>4911.11</b>	6701.13

\* 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 ₹ 900.00 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 ₹ 2814.60 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, Gujarat unit of the Company. Term loan of ₹ 1250.00 lacs is secured by first pari-passu charge on all the current assets of the company excluding those from Sanand, Gujrat unit of the company and second pari-passu charge on the moveable and immovable fixed assets of the company pertaining to Indore, Madhya Pradesh, Greater Noida Uttar Pradesh and Faridabad, Haryana 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	1517.24	16	9	3Months USD LIBOR Linked rate
Rupee Loan	2814.60	20	11	BPLR Linked rate
Rupee Loan	900.00	20	10	BPLR Linked rate
Rupee Loan	1250.00	20	20	BPLR Linked rate

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

	( ₹ in Lacs)	
	March, 2014	March, 2013
<b>(b) DEFERRED TAX LIABILITY (NET)</b>		
Timing Differences on account of		
1) Deferred Tax liability		
- Difference between book depreciation & depreciation Under Income Tax Act 1961.	<b>1632.01</b>	1272.92
-Closing balance of Excise Duty	<b>412.22</b>	179.35
2) Deferred Tax Assets		
-Provision for Doubtful debts	<b>(19.34)</b>	(9.12)
-Claim under Sec43 (B) of Income tax Act	<b>(55.28)</b>	(51.05)
3) Net Deferred Tax liability (1-2)	<b>1969.61</b>	1392.10
<b>(c) OTHER LONG TERM LIABILITIES</b>		
Payable for capital goods	<b>295.90</b>	-
	<b>295.90</b>	-

**Note 4:- CURRENT LIABILITIES**

	March, 2014	March, 2013
<b>(a) SHORT TERM BORROWINGS</b>		
<b>A. SECURED</b>		
Loans from Banks		
- Cash Credit*	<b>1297.89</b>	1759.63
-Working Capital Demand Loans*	<b>7600.00</b>	6317.00
- Buyers credit / External Commercial Borrowing**	<b>780.94</b>	1073.09
	<b>9678.83</b>	9149.72
<b>B. UNSECURED</b>		
Loans from Banks		
-Working Capital Loan From Bank***	<b>1695.31</b>	1547.60
	<b>11374.14</b>	10697.32

\* 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 Indore, Madhya Pradesh unit) and by way of second charge on entire moveable assets of the company (excluding moveable assets of Sanand, Gujarat unit) both present and future. Facility utilised of ₹ 200.00 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 pari passu 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

( ₹ in Lacs)

	March, 2014	March, 2013
<b>(b) TRADE PAYABLES*</b>	<b>11354.66</b>	5710.52
	<b>11354.66</b>	5710.52

\*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.

<b>(c) OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term borrowings	<b>2101.10</b>	1958.58
Interest accrued but not due on borrowings	<b>27.58</b>	40.13
Interest accrued and due on borrowings	<b>31.50</b>	20.07
Unpaid/Unclaimed Dividend	<b>5.58</b>	5.00
	<b>2165.76</b>	2023.78
<b>Other payables</b>		
Payable for Capital Goods	<b>1293.28</b>	641.09
Statutory Dues Payable	<b>332.46</b>	274.35
Employee related Liabilities	<b>421.77</b>	316.69
Advance from customers	<b>5904.31</b>	3847.47
Others	<b>583.46</b>	199.56
	<b>8535.28</b>	5279.16
	<b>10701.04</b>	7302.94
<b>(d) SHORT TERM PROVISIONS</b>		
Provision for employee benefits	<b>129.45</b>	111.88
Provision for Income tax (Net of Advance tax)	<b>72.58</b>	153.05
Provision for Proposed Dividend		
- Preference Shares	<b>44.93</b>	40.00
- Equity Shares	<b>305.97</b>	203.98
Provision for Dividend Tax on Proposed Dividend	-	41.46
	<b>552.93</b>	550.37

## NOTE 5 : FIXED ASSETS

₹ in Lacs)

Description	Gross Block					Depreciation					Net Block	
	As at 01.04.2013	Additions during the year	Other Adjustments*	Sales/ disposal during the year	Total as at 31.03.2014	As at 01.04.2013	For the year	Other Adjustments**	Written Back/ Adjustment on sales/disposal	Total as at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>												
Land (Freehold)	254.93	-	-	-	254.93	-	-	-	-	-	254.93	254.93
Land (Lease Hold)	2179.01	579.91	-	-	2758.93	82.13	22.82	-	-	104.95	2653.98	2096.89
Building	2509.34	2530.32	-	-	5039.66	369.64	125.02	-	-	494.66	4545.00	2139.70
Plant & Machinery	14274.16	3750.61	-	74.01	17950.76	5632.93	1144.42	3.45	17.96	6762.85	11187.92	8641.23
Furniture & Fixtures	117.50	41.90	-	-	159.40	63.10	16.27	0.58	-	79.95	79.46	54.40
Office Equipments	359.88	54.19	-	3.58	410.49	180.66	35.76	0.72	3.30	213.84	196.65	179.22
Vehicles	264.09	20.55	-	14.28	270.35	96.61	23.17	0.55	4.80	115.52	154.83	167.48
<b>Total</b>	<b>19958.92</b>	<b>6977.48</b>	<b>-</b>	<b>91.87</b>	<b>26844.53</b>	<b>6425.07</b>	<b>1367.45</b>	<b>5.30</b>	<b>26.07</b>	<b>7771.76</b>	<b>19072.77</b>	<b>13533.85</b>
<b>Intangible Assets</b>												
Computer Software	307.48	48.30	-	-	355.78	237.24	61.50	-	-	298.74	57.04	70.24
Technical Know-How	-	591.80	-	-	591.80	-	7.03	-	-	7.03	584.77	-
<b>Total</b>	<b>307.48</b>	<b>640.10</b>	<b>-</b>	<b>-</b>	<b>947.58</b>	<b>237.24</b>	<b>68.53</b>	<b>-</b>	<b>-</b>	<b>305.77</b>	<b>641.82</b>	<b>70.24</b>
<b>Total</b>	<b>20266.40</b>	<b>7617.59</b>	<b>-</b>	<b>91.87</b>	<b>27792.11</b>	<b>6662.31</b>	<b>1435.98</b>	<b>5.30</b>	<b>26.07</b>	<b>8077.53</b>	<b>19714.58</b>	<b>13604.09</b>
Previous year	18930.49	1493.68	35.88	193.65	20266.40	5607.92	1183.05	6.91	135.57	6662.31	13604.09	13322.57
<b>Capital Work in Progress</b>											<b>5428.65</b>	3200.53

## NOTES :-

\* Other Adjustments includes ₹ Nil (P.Y. ₹ 35.88 Lacs) on account of Exchange Fluctuation.

\*\* Other Adjustment includes Depreciation capitalised of ₹ 5.30 Lacs (P.Y. Nil) and depreciation of ₹ Nil (P.Y. Rs 6.91 lacs) on account of foreign Exchange fluctuation capitalised [note 31(a)] has been adjusted against the exceptional item.

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 which are yet to be registered in the name of the company.



**NOTE 6: NON - CURRENT INVESTMENTS**

(₹ in Lacs)

	March, 2014	March, 2013
<b>TRADE- UNQUOTED (fully paid up) at Cost</b>		
Investment in Equity Instrument		
<b>Subsidiaries</b>		
11,219,994 (P.Y. 11,219,994) Equity Share of ₹ 10/- each fully paid up of JBM Ogihara Automotive India Ltd	1122.00	1122.00
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	7132.78
<b>Aggregate value of unquoted investment</b>	<b>7132.78</b>	<b>7132.78</b>

**NOTE 7: LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)		
Capital advances	413.82	537.20
Security Deposit	160.78	142.60
	574.60	679.80

**NOTE 8: OTHER NON CURRENT ASSETS**

Hedging Gain Recoverable (Refer Note: 22)	256.29	239.86
Others (Refer Note: 27)	174.78	725.78
	431.07	965.64

**NOTE 9: CURRENT ASSETS**

<b>(a) INVENTORIES</b>		
Raw material	4131.97	2768.84
Work in process	2828.88	2373.15
Material in transit	-	112.77
Finished Goods	115.37	134.82
Stores, spares & consumables	241.37	187.11
Scrap	76.99	56.81
	7394.58	5633.50
<b>(b) TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Debts overdue for more than six months		
- Considered good	811.40	522.68
- Considered doubtful	56.90	26.83
	868.30	549.51
Less: Amount Received (Refer Note No. 29)	231.02	231.02
Less: provision for doubtful debts	56.90	26.83
	580.38	291.66
Other debts, considered good	13809.55	10780.66
	14389.93	11072.32

(₹ in Lacs)

<b>(c) CASH AND BANK BALANCE</b>		
<b>A Cash and Cash Equivalents</b>		
Cash in hand	10.96	9.10
Balances with Banks		
- In Current account	207.48	102.64
- In Unpaid Dividend account	5.58	5.00
Deposits for less than 3 Months Maturity*	38.81	33.59
<b>B Other Bank balances</b>		
In Fixed Deposit account ( 3-12 Months Maturity)*	3.63	3.35
	266.46	153.68
* Under Bank's lien and includes Interest Accrued ₹ 3,35,307/- (P.Y. ₹ 3,39,292/-) there on		
<b>(d) OTHER CURRENT ASSETS</b>		
<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 No. 27)	875.40	849.11
Advance to suppliers		
- Considered good	359.15	378.46
- Considered doubtful	-	0.42
Less: Provision for doubtful advance	-	(0.42)
MAT Credit	256.25	-
Balance of Modvat/ Cenvat	1307.00	586.22
Sales Tax/VAT Recoverable	102.31	66.31
Hedging Gain Recoverable	59.73	43.32
	2959.84	1923.42

**NOTE 10: REVENUE FROM OPERATIONS**

Sale of Products	59790.41	46302.01
Sale of Services	343.82	443.13
Other operating Revenue	4292.84	4689.77
<b>Gross Revenue from Operations</b>	<b>64427.07</b>	<b>51434.91</b>

**NOTE 11: OTHER INCOME**

Dividend from Subsidiary	367.80	367.80
Interest (TDS ₹ 33,531/- (P.Y. ₹ 33,929/-)	12.98	11.78
Royalty (TDS ₹ 12,09,485/- (P.Y. ₹ 16,67,600/-)	120.95	150.08
Exchange Fluctuation	151.53	161.46
Miscellaneous Income	3.43	0.25
	656.69	691.37

**NOTE 12: CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**

	March, 2014	March, 2013
<b>Opening stocks :</b>		
Work in process	2373.15	3039.52
Finished goods	134.82	194.08
	2507.97	3233.60
<b>Less : Closing stocks :</b>		
Work in process	2828.88	2373.15
Finished Goods	115.37	134.82
	2944.25	2507.97
<b>(Increase)/ Decrease in stocks</b>	<b>(436.28)</b>	<b>725.63</b>

**NOTE 13: EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

	March, 2014	March, 2013
Salaries & wages	4003.52	3640.56
Contribution to ESI, PF and other funds	188.66	155.37
Staff welfare	176.39	131.59
	<b>4368.57</b>	3927.52

**NOTE 14: FINANCE COST**

Interest to Banks- term loans	725.14	1294.46
Interest- others	1305.87	1208.21
Other Financial Charges	29.41	40.34
Applicable net (Gain)/Loss on foreign currency transactions and translation	93.48	52.17
	<b>2153.90</b>	2595.18

**NOTE 15: OTHER EXPENSES**

Stores consumed	538.24	507.52
Manufacturing expenses	556.05	786.95
Power & fuel	898.81	755.66
Packing Material	448.05	500.49
Machinery repairs and maintenance	337.33	332.60
Rent (including land lease rent)	43.13	65.72
Rates & taxes	41.67	65.78
Insurance	19.86	17.21
Repair & Maintenance		
-Building	42.64	33.12
-Others	100.37	168.24
Bad Debts written off	38.55	0.72
Loss on sale of assets/assets written off (Net)	8.50	25.76
Provision for Bad & Doubtful Debts	30.07	28.71
Freight & Forwarding charges	749.61	546.03
Royalty	309.54	-
Other Administrative Expenses*	633.36	574.72
	<b>4795.78</b>	4409.23

\* Includes Rs 3,32,037/- (P.Y.Rs 63,288/-) on account of Excise Duty Provision on change in stock.

**NOTE: 16 EARNING PER SHARE**

Particulars	Year ended March 31,2014	Year ended March 31,2013
a) Profit after tax as per Statement of Profit & Loss (₹ In Lacs)	2431.15	1375.29
b) Preference dividend and dividend tax (₹ In Lacs)	38.13	46.80
c) Net profit available for equity share holders (₹ In Lacs)	2393.02	1328.49
Total Equity Shares (No's)	10198841	10198841
Basic/Diluted Earning per Share (₹10/-)	23.46	13.03

**NOTE: 17 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARE CAPITAL AS ON THE BALANCE SHEET DATE**

Name of Shareholders	31.03.2014		31.03.2013	
	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%	1892565	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	1000000	100%	5000000	100%

**NOTE: 18 CONTINGENT LIABILITIES**

Sr. No.	Particulars	(₹ in Lacs)	
		2014	2013
i)	Letter of Credit outstanding	876.94	2050.67
ii)	Guarantees issued by the Bank on behalf of the Company	857.05	338.11
iii)	Claims against the Company not acknowledged as debt	350.29	460.37

**NOTE: 19** Estimated amount of contracts remaining to be executed on capital account (Net of advances) not provided for ₹ 2045.92 Lacs (Previous year ₹ 1595.97 Lacs).

**NOTE: 20 AUDITOR'S REMUNERATION**

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

	(₹ in Lacs)	
	2014	2013
a) Audit fee	12.00	10.00
b) Tax audit fees	5.00	4.00
c) Taxation matter	2.08	4.09
d) Others	7.00	6.00

**NOTE: 21 SEGMENT INFORMATION**

i) Primary Segment Reporting

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

(a) **Sheet Metal Components, Assemblies & Sub-assemblies** - Segment manufactures components etc.

(b) **Tool, Dies & Moulds** - Segment manufactures Dies for Sheet Metal Segment or sells Dies.

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		Total of Reportable Segments	
	2014	2013	2014	2013	2014	2013
External Sales	44753.54	36111.57	11765.35	9017.17	56518.89	45128.73
Inter Segment Sales	16.40	27.64	-	-	16.40	27.64
Other Income	32.75	168.21	118.65	184.62	151.41	352.83
Segment Revenues	44802.69	36307.42	11884.01	9201.79	56686.70	45509.20
Segment Results	3152.58	3506.91	1973.79	1243.02	5126.37	4749.92
Segment Assets	35847.75	26411.20	7890.01	6534.20	43737.76	32945.39
Segment Liabilities	9351.37	5761.19	10134.45	4979.22	19485.82	10740.41
Capital Expenditure	9159.05	3496.66	686.66	197.11	9845.71	3693.77
Depreciation/ Amortisation	1236.85	1017.09	187.93	153.77	1424.78	1170.86

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

(₹ in Lacs)

	Revenues		Results/ Net Profit		Assets		Liabilities	
	2014	2013	2014	2013	2014	2013	2014	2013
Total Reportable Segments	56686.70	45509.20	5126.37	4749.92	43737.76	32945.39	19485.82	10740.41
Inter segment sales/ Adjustments	(16.40)	(27.64)	-	-	-	-	-	-
Corporate unallocated/ Others (Net)	567.02	456.12	(1736.65)	(2690.70)	14554.73	11420.37	36837.06	20221.87
Taxes/ Deferred Tax	-	-	(958.56)	(683.94)	-	-	1969.61	1392.10
As per Financial statements	57237.32	45937.68	2431.15	1375.29	58292.49	44365.76	41159.39	32354.37

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: 22** The Company uses forward exchange contracts and other derivative contracts to hedge against its foreign currency exposures relating to the underlying transactions 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 31.03.2014**

Nos. of Contracts		Equivalent USD (USD in Lacs)		INR Equivalents (₹ In Lacs)	
2014	2013	2014	2013	2014	2013
2	1	28.70	36.31	1732.09	1984.40

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

(figures in Lacs)

Liabilities	2014	2013
In Euros (€)	0.11	-
(Equivalent approximate in INR)	9.04	-
In US Dollar (\$)	17.45	35.88
(Equivalent approximate in INR)	1052.58	1357.59
In JPY (¥)	1137.15	52.30
(Equivalent approximate in INR)	672.96	30.42
In SEK (kr)	0.15	-
(Equivalent approximate in INR)	1.51	-
<b>Assets</b>		
In Euros (€)	7.1	4.93
(Equivalent approximate in INR)	556.03	343.94
In JPY (¥)	-	6.35
(Equivalent approximate in INR)	-	3.70
In USD (\$)	8.55	-
(Equivalent approximate in INR)	516.01	-

**NOTE: 23 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 Lacs) in the statement of Profit and Loss :-

	<b>2014</b>	<b>2013</b>
Employer's Contribution to Provident Fund*	<b>166.78</b>	133.26

**ii. State Plans**

During the year the Company has recognized the following amounts (₹ in Lacs) in the statement of Profit and Loss: -

	<b>2014</b>	<b>2013</b>
Employer's contribution to Employee State Insurance*	<b>21.01</b>	21.29
Employer's contribution to Welfare Fund*	<b>0.87</b>	0.82

\*included in contribution to Provident and other funds under Employee Remuneration and Benefits (Refer Note 13)

**iii. Defined Benefit Plans**

- a) Contribution to Gratuity Fund – Employee's Gratuity Fund.
- b) Leave Encashment/ Compensated Absence

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

(₹ in Lacs)

Sr. No.	Particulars	2014		2013	
		Leave Encashment/ Fund	Employee Gratuity Compensated Absence	Leave Encashment/ Fund	Employee Gratuity
<b>i)</b>	<b>Actuarial Assumptions</b>				
	Discount Rate (per annum)	9.10%	9.10%	8.15%	8.15%
	Rate of increase in compensation levels	5%	5%	5%	5%
	Rate of return on plan assets	N.A.	8.75%	N.A.	9.21%
	Expected Average remaining working lives of employees (years)	23.05	23.05	23.09	23.09
<b>ii)</b>	<b>Change in the obligation during the year ended 31st March, 2014</b>				
	Present value obligation as at 31st March, 2013	81.91	189.83	50.22	143.81
	Interest cost	6.62	16.55	3.65	10.99
	Past Service cost	-	-	-	-
	Current service cost	39.32	36.51	36.90	29.83
	Curtailement cost	-	-	-	-
	Settlement cost	-	-	-	-
	Benefit paid	(18.27)	(15.96)	(10.82)	(18.02)
	Actuarial (gain)/loss on Obligations	(17.90)	(1.90)	1.95	23.23
	Present value obligation as at 31st March, 2014*	91.68	225.03	81.91	189.83
<b>iii)</b>	<b>Change in fair value plan Assets</b>				
	Fair value of Plan Assets as at 31st March, 2013	-	226.81	-	203.04
	Expected return on Plan Assets	-	19.40	-	18.99
	Contributions	-	1.09	-	33.41
	Withdrawals	(18.27)	(11.17)	(10.82)	(27.00)
	Actuarial gain/(loss) on Obligations	-	0.17	-	(1.64)
	Fair value of Plan Assets as at 31st March, 2014	-	236.30	-	226.81
<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, 2014*	91.68	225.03	81.91	189.83
	Fair value of Plan Assets as at 31st March, 2014	-	236.30	-	226.81
	Funded Status	-	11.27	-	36.98
	Present value of unfunded obligation as at 31st March, 2014	-	-	-	-
	Unfunded Actuarial (gains)/Losses	-	-	-	-
	Unfunded Net Asset/(Liability) recognized in Balance Sheet*	(91.68)	-	(81.91)	-
<b>v)</b>	<b>Expenses recognized in Profit and Loss Account</b>				
	Current service cost	39.32	36.51	36.90	29.83
	Past Service cost	-	-	-	-
	Interest cost	6.62	16.55	3.65	10.99
	Expected return on Plan Assets	-	(19.40)	-	(18.99)
	Curtailement cost	-	-	-	-
	Settlement cost	-	-	-	-
	Net Actuarial (gain)/loss recognized during the year	(17.90)	(2.06)	1.95	24.87
	Total Expense recognized in Profit and Loss Account#	28.04	31.58	42.51	46.68

\* This pertains to Long term Liability worked in respect of deferred leave only. Expected short term liability of ₹ 37,77,543/- (P.Y.- ₹ 29,96,649/-).

# This pertains to Long term liability only. Actual payments (under the various heads) incurred over the intervaluation period should be added to this figure.

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

**NOTE: 24 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		

(₹ in Lacs)

Particulars	2013-14					2012-13				
	Subsidiaries over which key management personnel and their relative are able to exercise significant influence	Enterprise Ventures	Joint Management personnel and their relatives	Key	Total	Subsidiaries over which key management their relative are able to exercise significant influence	Enterprise Ventures	Joint Management personnel and their relatives	Key	Total
<b>Issue of preference share capital at premium</b>										
Neel Metal Products Ltd.		3000.00			3000.00					
<b>Total</b>		3000.00			3000.00					
<b>Dividend paid</b>										
Neel Metal Products Ltd.		44.93			44.93	40.00				40.00
<b>Total</b>		44.93			44.93	40.00				40.00
<b>Purchase of capital goods</b>										
Jay Bharat Maruti Ltd.		2.20			2.20					
Neel Metal Products Ltd.		231.72			231.72		112.87			112.87
Indo Tooling Pvt. Ltd.								1.50		1.50
<b>Total</b>		233.92			233.92		112.87	1.50		114.37
<b>Sale of Goods &amp; Job work</b>										
Neel Metal Products Ltd.		1437.99			1437.99		3034.56			3034.56
Jay Bharat Maruti Ltd.		914.18			914.18		840.43			840.43
JBM Industries Ltd.		73.16			73.16		82.20			82.20
JBM Auto System P. Ltd	935.98				935.98	559.49				559.49
JBM MA Automotive P. Ltd.			159.50		159.50			171.22		171.22
Indo Tooling Pvt. Ltd.			11.97		11.97			5.27		5.27
<b>Total</b>	935.98	2425.33	171.47		3532.78	559.49	3957.19	176.49		4693.17
<b>Sale of Capital goods</b>										
NMPL		34.77			34.77		1697.51			1697.51
JBM Industries limited		0.40			0.40		1.00			1.00
<b>Total</b>		35.17			35.17		1698.51			1698.51
<b>Purchase of the goods</b>										
Neel Metal Products Ltd.		9915.89			9915.89		3123.05			3123.05
Jay Bharat Maruti Ltd.		2548.91			2548.91		510.58			510.58
JBM Industries Ltd.		38.91			38.91		24.20			24.20
JBM MA Automotive P. Ltd.			69.70		69.70			3.51		3.51
Indo Tooling Pvt. Ltd.			1008.66		1008.66			25.09		25.09
<b>Total</b>		12503.71	1078.36		13582.07		3657.83	28.60		3686.43
<b>Interest paid</b>										
JBM INDUSTRIES							6.38			6.38
Neel Metal Products Ltd.		126.85			126.85		121.77			121.77
<b>Total</b>		126.85			126.85		128.15			128.15



(₹ in Lacs)

<b>Others Expenses</b>									
Ogihara	0.07			0.07	0.11				0.11
Jay Bharat Maruti Ltd.		34.53		34.53		9.03			9.03
JBM Auto System P. Ltd					13.96				13.96
JBM MA Automotive P. Ltd.			7.98	7.98			31.36		31.36
Gurera Industries Ltd.		3.50		3.50		3.00			3.00
Neel Metal Products Ltd.		41.21		41.21		36.04			36.04
JBM Industries limited		12.01		12.01		26.03			26.03
<b>Total</b>	<b>0.07</b>	<b>91.25</b>	<b>7.98</b>	<b>99.30</b>	<b>14.07</b>	<b>74.10</b>	<b>31.36</b>		<b>119.53</b>
<b>Others Income</b>									
JBM Ogihara Automotive Ltd.	122.62			122.62	150.08				150.08
JBM Auto System P. Ltd	367.80			367.80	367.80				367.80
<b>Total</b>	<b>490.42</b>			<b>490.42</b>	<b>517.88</b>				<b>517.88</b>
<b>Managerial Remuneration</b>									
Mr. H. R. Saini			30.26	30.26				27.96	27.96
<b>Total</b>			<b>30.26</b>	<b>30.26</b>				<b>27.96</b>	<b>27.96</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>19.50</b>		<b>19.50</b>			<b>19.50</b>
<b>EMI of Car Loan</b>									
Jay Bharat Maruti Ltd.		14.65		14.65		16.56			16.56
<b>Total</b>		<b>14.65</b>		<b>14.65</b>		<b>16.56</b>			<b>16.56</b>
<b>Loan</b>									
Neel Metal Products Ltd.						1230.00			1230.00
<b>Total</b>						<b>1230.00</b>			<b>1230.00</b>
<b>Amount Recoverable</b>									
JBM Industries Ltd.		56.84		56.84		15.15			15.15
JBM Auto System P. Ltd	249.26			249.26	261.81				261.81
JBM MA Automotive P. Ltd.			1005.52	1005.52			950.00		950.00
Indo Tooling Pvt. Ltd.			109.70	109.70			187.49		187.49
JBM Ogihara Automotive Ltd.					150.23				150.23
Neel Metal Products Ltd.		253.57		253.57		95.05			95.05
Jay Bharat Maruti Ltd.		1400.34		1400.34		47.52			47.52
Gurera Industries Ltd.		2.23		2.23		5.08			5.08
<b>Total</b>	<b>249.26</b>	<b>1712.98</b>	<b>1115.22</b>	<b>3077.46</b>	<b>412.04</b>	<b>162.80</b>	<b>1137.49</b>		<b>1712.33</b>
<b>Amount Payble</b>									
Neel Metal Products Ltd.		200.84		200.84		1.10			1.10
Jay Bharat Maruti Ltd.						4.51			4.51
JBM Industries Ltd.		13.18		13.18					
JBM MA Automotive P. Ltd.			9.97	9.97			39.17		39.17
JBM Ogihara Automotive Ltd.	1.94			1.94					
<b>Total</b>	<b>1.94</b>	<b>214.02</b>	<b>9.97</b>	<b>225.93</b>		<b>5.61</b>	<b>39.17</b>		<b>44.78</b>
<b>Loans and Advance</b>									
Neel Metal Products Ltd.						300.00			300.00
<b>Total</b>						<b>300.00</b>			<b>300.00</b>

**NOTE: 25 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)

	2014	2013
<b>Details of Assets</b>		
Fixed Assets – Net Block		
- Tangible	<b>8134.61</b>	8332.33
- Intangible	<b>13.58</b>	27.95
- Capital Work in Progress	<b>298.45</b>	88.59
Non Current Investments	<b>300.00</b>	300.00
Deferred Tax Asset	<b>4.29</b>	3.58
Long term loans and advances	<b>168.40</b>	120.85
Inventories	<b>2066.86</b>	2022.48
Trade receivables	<b>3616.47</b>	2930.16
Cash and Cash equivalents	<b>143.42</b>	103.40
Other Current Assets	<b>893.29</b>	1144.17
<b>Details of Liabilities</b>		
Long Term Borrowings	<b>156.90</b>	2839.90
Other long term Liabilities	<b>1999.34</b>	0.00
Long term provisions	<b>31.66</b>	33.91
Deferred Tax Liability	<b>128.03</b>	62.03
Short Term Borrowings	<b>2448.20</b>	2829.70
Trade Payables	<b>2650.76</b>	2306.83
Other Current Liabilities	<b>4159.42</b>	3333.82
Short Term Provisions	<b>41.47</b>	41.08
<b>Detail of Income</b>		
Revenue from operations (Net)	<b>14771.71</b>	16405.09
Other Income	<b>6.04</b>	6.01
<b>Detail of Expenses</b>		
Cost of Material Consumed	<b>10507.83</b>	12538.22
Changes in inventories of Finished Goods and Work in progress	<b>(66.64)</b>	(400.35)
Employees Benefits Expense	<b>1177.74</b>	1130.83
Finance Cost	<b>521.68</b>	789.14
Depreciation and Amortization Expense	<b>745.02</b>	721.20
Other Expenses	<b>1617.54</b>	1304.42
Tax Expense	<b>99.96</b>	168.07
<b>Details of Contingent Liabilities</b>		
Capital commitments	<b>161.35</b>	25.70

- NOTE: 26** 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 is being charged to revenue during the year. The lease rent as stipulated in the agreement shall increase periodically.
- NOTE: 27** 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: 28** The Company has filed a writ petition with the Hon'ble High Court of Kolkatta, West Bengal for injunction restraining the Govt. of West Bengal for acting in terms of Singur Land rehabilitation and Development Act, 2011. The Division Bench of the Kolkatta High Court had held that the Singur Act was unconstitutional and had therefore struck down the Act. The State Government has challenged the said judgement of the Kolkatta High Court before the Hon'ble Supreme Court and the same is still pending. Meanwhile the Division Bench had granted a stay on the said order dated 21st June, 2012 which has also been extended by Supreme Court. By virtue of the order of stay, the State Government is still retaining the possession of the Singur land. Pending finalization of the case, the company has not made any provision against advance given for the same.
- NOTE: 29** The Company was awarded a sum of ₹ 355.13 lacs in the arbitration proceedings against a trade receivable. The other party had appealed against the arbitration order in the Hon'ble Supreme Court of India and has deposited 50% of the said sum amounting to ₹ 177.56 lacs in the form of interest bearing FDR's till the finalization of appeal. The company filed an SLP in the Hon'ble Supreme Court and got released amount deposited as FDR along with interest amounting to ₹ 231.02 lacs in 2012 with a direction that if ultimately the SLP is directed against the Company, then the Company has to refund the amount with interest. In view of the same the effect of the same will be accounted for on the final settlement of the case.
- NOTE: 30** 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: 31** (a) Up to 31 st March, 2012 the exchange difference arising from long term foreign borrowings, to the extent they were regarded as an adjustment to interest cost, were treated as borrowing cost in terms of AS-16, "Borrowing costs". Pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy w.e.f. from 1st April 2011, to treat the same as " Foreign exchange fluctuation" accounted as per AS-11 " Effects of changes in Foreign Exchange Rates", instead of AS-16 " Borrowing Costs". This has resulted in to reversal of finance cost of ₹ 35.88 lacs/- and increase in depreciation by ₹ 6.91/- lacs in the previous year. The aforesaid change, resulting in net gain of ₹ 28.97/- lacs has been shown as exceptional items and has increased Basic/ Diluted EPS by ₹ 0.28/- in the previous year.  
(b) 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: 32** Trade and Other Receivables and Payables are subject to confirmation.
- NOTE: 33** Previous year figures have been regrouped and/or rearranged wherever considered necessary.
- NOTE:34** 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	<b>134.82</b>	<b>115.37</b>	<b>46906.54*</b>	<b>1212.67</b>
	(194.08)	(134.82)	(36738.58)	(841.81)
Tools, Dies and Moulds			<b>13220.45**</b>	<b>1616.21</b>
			(9915.14)	(1531.34)
Others			<b>4300.08</b>	
			(4781.19)	

\*Includes Components produced on Job Work for ₹ 108.54 Lacs (P.Y. ₹ 179.66 Lacs)

\*\* Includes Tools produced on Job Work for ₹ 235.28 Lacs (P.Y. ₹ 263.47 Lacs)

Note: Figures in brackets represents previous year's amounts

ii) CONSUMPTION OF RAW MATERIALS AND COMPONENTS

		(₹ in Lacs)	
Sr.No	Particulars	2014	2013
1.	Component	18036.53	6774.93
2.	Metal Sheet	18009.04	19597.17
3.	Die Material	5484.09	4606.17
4.	Others	-	59.57
		41529.66	31037.85

iii. CIF VALUE OF IMPORTS

		(₹ in Lacs)	
Sr.No	Particulars	2014	2013
1.	Raw Material	3328.17	4987.40
2.	Stores & Spares	1.82	4.53
3.	Capital Goods	1240.93	-

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

		(₹ in Lacs)			
Sr.No	Particulars	2014		2013	
		Value	% age	Value	% age
<b>a)</b>	<b>Raw Material &amp; Components</b>				
	I. -Imported	9929.75	23.91%	5510.24	17.75%
	II. -Indigenous	31599.90	76.09%	25527.61	82.25%
		41529.66	100.00%	31037.85	100.00%
<b>b)</b>	<b>Stores &amp; Spares</b>				
	I. -Imported	45.90	8.53%	4.53	0.89%
	II. -Indigenous	492.34	91.47%	503.00	99.11%
		538.24	100.00%	507.52	100.00%

v) EXPENDITURE INCURRED IN FOREIGN CURRENCY

		(₹ in Lacs)	
Sr.No	Particulars	2014	2013
1.	Travelling	56.79	60.40
2.	Repair & Maintenance (Plant & Machinery)	7.34	-
3.	Interest on ECB's	31.51	28.24
4.	Interest on Term Loan	137.45	178.85
5.	Interest on WCDL	-	-
6.	Job Work Charges	6.74	15.73
7.	Freight, Warehouse & Other Charges	-	-
8.	Professional & technical Fees	437.76	315.26

vi) EARNINGS IN FOREIGN CURRENCY

		(₹ in Lacs)	
Sr.No	Particulars	2014	2013
1.	FOB value of Exports	1188.13	915.96

As per our report attached  
**For Mehra Goel & Co.**  
 Chartered Accountants  
 FRN : 000517N

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

**S. K. Arya**  
 Chairman

**H.R. Saini**  
 Executive Director

**Nishant Arya**  
 Director

**Ashok Kumar Agarwal**  
 Director

**M.K. Aggarwal**  
 Director

**Vivek Gupta**  
 Chief Financial Officer  
 & Company Secretary

Place : Gurgaon (Haryana)  
 Dated : 30th May 2014

### 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	Interim/ Proposed Dividend
1	JBM Auto System Pvt. Ltd.	2489.00	11269.83	33448.55	33448.55	1,000.00	58276.70	4471.05	1579.71	2891.35	497.80
2	JBM Ogihara Automotive India Ltd.	2200.00	249.08	6639.13	6639.13	-	8,176.22	218.50	64.30	154.20	-

### 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	31.03.2014	31.03.2014
2	The extent of holding company's interest in the subsidiary at the end of the financial year 31.03.2014		
	- 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 31.03.2014 (₹ in Lacs)	2891.35	154.20
	- For all the previous financial years of the subsidiary (₹ in Lacs)	9369.69	261.85
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 31.03.2014 (₹ in Lacs)	NIL	NIL
	- For all the previous financial years of the subsidiary (₹ in Lacs)	NIL	NIL

**S. K. Arya**  
Chairman

**Nishant Arya**  
Director

**M.K. Aggarwal**  
Director

**H.R. Saini**  
Executive Director

**Ashok Kumar Agarwal**  
Director

**Vivek Gupta**  
Chief Financial Officer  
& Company Secretary

Place : Gurgaon (Haryana)

Dated: 30th May 2014

# independent auditor's report

## To the Board of Directors of JBM AUTO LIMITED

We have audited the accompanying consolidated financial statements of JBM Auto Limited and its subsidiaries and joint ventures, (collectively the group) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements of the subsidiary prepared for the purpose of compliance of the provisions of Section 211 & 212 of the Companies Act, 1956 is the responsibility of the management and have been considered and included in the consolidated accounts on the basis of accounts audited by us.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the Preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

- a) 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 ₹ 33448.55 lacs as at March 31, 2014, and Total Revenue of ₹ 58289.60 lacs and Net Cash flows of ₹ 27.89 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 "Qualified" based solely on the report of other auditor.

#### Basis for Qualified Opinion

*The carrying value (₹580.87 lacs as on 31st March, 2014, ₹ 581.14 lacs as on 31st March 2013) of certain specific tools and dies used by the JBM Auto System Private Limited, which are amortized over their initially estimated useful life, is in our opinion, higher than the recoverable amount, as an accelerated charge of depreciation arising out of discontinuation/ significant reduction in volume of certain models has not been considered in these financial statements. Had these assets been amortized over their revised useful life, as required under AS 6 "Depreciation Accounting" referred to in Section 211(3C) of the Act (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs), the depreciation charge for the year would have been higher and profit for the year before tax, reserves and surplus and net block of fixed assets would be lower, the impact of which is presently not quantifiable.*

We have audited the financial statements of one subsidiary, namely JBM Ogihara Automotive India Limited.

- b) We did not audit the financial statements of two joint ventures, namely JBM MA Automotive Private Limited and Indo Toolings Private Limited, whose financial statements reflect Total Assets of ₹ 31268.67 lacs as at March 31, 2014, and Total Revenue of ₹ 29555.50 lacs, Total Expenditure of ₹ 29006.33 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.

- c) 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.
- d) Subject to our comments in Para (a) and (b) above and Note No.18 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 two joint ventures, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - ii) In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Mehra Goel & Co.**

Chartered Accountants  
Firm Registration No.000517N

**R.K. Mehra**

Partner  
Membership Number: 6102  
Place of Signature: Gurgaon (Haryana)  
Date: May 30, 2014

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**Management Response with respect to Para (a) of opinion as given in above Audit Report on the Consolidated Financial Statement is as under:**

As per the agreement with the customer, we have to supply the spare parts even after discontinuation of a car model of OEM. The tools and dies in the instant case are having a life to produce the components required by the OEM for many years for meeting the spares requirement.

Further, a corresponding liability of ₹ 580.87 lacs is also continuing towards OEM in respect of these dies in the books of account which is amortized based on the number of components supplied during the year and included in income. In conclusion there is corresponding liability with respect to carrying value of tools and dies and thus there is no impact on the profitability of the company during the reporting period.

# consolidated balance sheet as at 31st march 2014

(₹ in Lacs)

	NOTE NO.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>	2		
(a) Share Capital		2019.88	1519.88
(b) Reserves and Surplus		22705.80	15854.38
		24725.68	17374.26
<b>Minority Interest</b>		5125.66	4447.12
<b>Non-Current Liabilities</b>	3		
(a) Long term borrowings		8051.51	14896.40
(b) Deferred Tax Liability		2733.18	1978.26
(c) Other Long term liabilities		2877.59	17.20
(d) Long term provisions		64.15	57.33
		13726.43	16949.18
<b>Current Liabilities</b>	4		
(a) Short-term borrowings		18307.11	17820.42
(b) Trade payables		22428.48	16097.29
(c) Other current liabilities		20478.05	14572.54
(d) Short-term provisions		754.13	631.08
		61967.78	49121.33
<b>TOTAL</b>		105545.55	87891.90
<b>II. ASSETS</b>			
<b>Non-current assets</b>	5		
(a) Fixed Assets		54800.40	44983.85
(i) Tangible Assets		46246.55	40910.07
(ii) Intangible Assets		660.41	99.07
(iii) Capital Work in Progress		7893.44	3974.71
(b) Non-current investments	6	1300.00	1300.00
(c) Deferred tax assets	3(b)	4.29	3.58
(d) Long term loans and advances	7	2769.70	1661.75
(e) Other non-current assets	8	448.69	985.26
		59323.08	48934.44
<b>Goodwill</b>		87.24	87.24
<b>Current assets</b>	9		
(a) Inventories		15844.53	13110.88
(b) Trade receivables		24075.24	20375.68
(c) Cash and Bank Balances		739.26	561.96
(d) Other current assets		5476.17	4821.70
		46135.21	38870.22
<b>TOTAL</b>		105545.55	87891.90
Significant Accounting Policies	1		
Notes 1 to 36 form integral part of Financial Statements			

As per our report attached

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

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

**S.K. Arya**  
Chairman

**Nishant Arya**  
Director

**M.K. Aggarwal**  
Director

Place : Gurgaon (Haryana)  
Dated : 30th May, 2014

**H.R. Saini**  
Executive Director

**Ashok Kumar Agarwal**  
Director

**Vivek Gupta**  
Chief Financial Officer  
& Company Secretary



# statement of consolidated profit and loss for the year ended 31st march, 2014

(₹ in Lacs)			
	NOTE NO.	Figures for the current reporting period	Figures for the previous reporting period
<b>I. Revenue from Operations</b>			
Gross Revenue from Operations	10	154041.28	132184.89
Less : Excise duty		17652.17	15088.54
Net Revenue from Operations		136389.11	117096.35
<b>II. Other income</b>	11	558.86	380.69
<b>III. Total Revenue (I+II)</b>		136947.97	117477.04
<b>IV. EXPENSES</b>			
Cost of Materials consumed		99846.71	84286.11
Changes in inventories of finished goods and work in progress	12	(1098.48)	276.67
Employee benefits expense	13	11298.19	9702.66
Finance Costs	14	3598.27	4348.21
Depreciation and amortization expense	5	4015.74	3311.08
Other expenses	15	10885.94	9597.20
<b>Total Expenses</b>		128546.38	111521.94
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		8401.59	5955.10
<b>VI. Exceptional items</b>		-	28.97
<b>VII. Profit before tax (V+VI)</b>		8401.59	5984.07
<b>VIII. Less: Tax Expense</b>			
- Current year		2250.64	1639.28
- MAT Adjusted		(335.19)	(115.39)
- Deferred tax		754.08	615.26
- Earlier years		33.00	50.29
		2,702.53	2,189.43
<b>IX. Profit after tax (before adjustment for Minority Interest) (VII - VIII)</b>		5699.06	3794.63
<b>X. Share of (Profit)/ Loss transferred to Minority Interest</b>		(678.54)	(534.27)
<b>XI. Profit after tax (after adjustment for Minority Interest) (IX-X)</b>		5020.52	3260.36
<b>XII. Earning per equity share:</b>			
(1) Basic	20	48.76	31.51
(2) Diluted		48.76	31.51
Significant Accounting Policies	1		
Notes 1 to 36 form integral part of Financial Statements			

As per our report attached  
**For Mehra Goel & Co.**  
Chartered Accountants  
FRN: 000517N

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

**S.K. Arya**  
Chairman

**Nishant Arya**  
Director

**M.K. Aggarwal**  
Director

Place : Gurgaon (Haryana)  
Dated : 30th May, 2014

**H.R. Saini**  
Executive Director

**Ashok Kumar Agarwal**  
Director

**Vivek Gupta**  
Chief Financial Officer  
& Company Secretary

# consolidated cash flow statement for the year 2013-14

(₹ in Lacs)

	March, 2014		March, 2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax and extraordinary items		8401.59		5984.07
Adjustment for :				
Depreciation	4015.74		3311.08	
Unrealised Exchange loss/(Gain) (Net)	(24.64)		45.14	
Finance Cost	3470.66		4188.42	
Interest income	(21.14)		(21.20)	
Previous year adjustment in profits of Subsidiary and joint ventures	0.01		4.24	
(Profit)/Loss on sale of assets (Net)	0.26		18.41	
Bad Debts/Provision for Doubtful Debts	68.62		54.32	
Exceptional (Gain)/loss	-	7509.50	(28.97)	7571.45
<b>Operating Profit before Working Capital Changes</b>		<b>15911.09</b>		<b>13555.52</b>
Adjustment for :				
Trade and other receivables	(4930.29)		(523.20)	
Inventories	(2730.35)		(185.98)	
Trade and other liabilities	14020.30	6359.65	(145.95)	(855.13)
<b>Cash Generated From Operations</b>		<b>22270.75</b>		<b>12700.39</b>
Direct taxes paid (Net)	(2005.58)	(2005.58)	(990.10)	(990.10)
<b>Net Cash From Operating Activities</b>		<b>20265.16</b>		<b>11710.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of fixed assets	(13392.83)		(9808.10)	
Proceeds from sale of fixed assets	85.13		62.62	
Subsidy received from Government of Maharashtra	222.86		132.66	
Interest received	21.14		21.20	
<b>Net Cash used in Investing Activities</b>		<b>(13063.70)</b>		<b>(9591.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Preference Share Capital	3000.00		-	
Repayment of Long Term Loans	(8666.15)		(5151.76)	
Proceeds from Long term loans	1926.90		3766.40	
Increase/(Decrease) in Short Term loans	486.69		4073.49	
Interest paid	(3527.63)		(4562.29)	
Dividend Paid	(243.98)		(435.04)	
<b>Net cash flow from financing activities</b>		<b>(7024.16)</b>		<b>(2309.21)</b>
<b>Net Increase in Cash and Bank balance</b>		<b>177.30</b>		<b>(190.54)</b>
Cash and cash equivalents (Opening Balance)		561.96		752.51
Cash and cash equivalents (Closing Balance)		739.26		561.96

**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 ₹ 5.58 Lacs (Previous Year ₹ 5.00 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
  - Figures in bracket represents cash outflow.
- Notes 1 to 36 form integral part of Financial Statements

As per our report attached  
**For Mehra Goel & Co.**  
 Chartered Accountants  
 FRN: 000517N

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

**S.K. Arya**  
 Chairman

**Nishant Arya**  
 Director

**M.K. Aggarwal**  
 Director

Place : Gurgaon (Haryana)  
 Dated : 30th May, 2014

**H.R. Saini**  
 Executive Director

**Ashok Kumar Agarwal**  
 Director

**Vivek Gupta**  
 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 company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2014.
- 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.

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

<b>Assets</b>	<b>Depreciation rates</b>
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 pro rata 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 : SHAREHOLDERS' FUND**

(₹ in Lacs)

	<b>March, 2014</b>	<b>March, 2013</b>
<b>(a) SHARE CAPITAL</b>		
<b>A. Authorised</b>		
1,50,00,000 Equity Shares of ₹ 10/- each	<b>1500.00</b>	1500.00
1,00,00,000 (P.Y. 50,00,000) Preference Shares of ₹ 10/- each	<b>1000.00</b>	500.00
	<b>2500.00</b>	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*	<b>1019.88</b>	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 allotment i.e. 26th December, 2009]	<b>500.00</b>	500.00
50,00,000 (P.Y. NIL) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each [Redeemable after 6 years from the date of allotment i.e. 14th February 2014]	<b>500.00</b>	-
	<b>2019.88</b>	1519.88

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. Such preference shares are redeemable after six years from the date of allotment i.e. 26th December, 2009. During the current F.Y. 2013-14, the Company has 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. These preference shares are redeemable after six years from the date of allotment i.e. 14th February, 2014. 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.

Shareholding Pattern (Refer Note no.17)

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

(₹ in Lacs)

	March, 2014	March, 2013
Number of shares outstanding at the beginning of the year	10198841	10198841
Add/Less: Number of shares issued /bought back during the year	-	-
Number of shares outstanding at the end of the year	10198841	10198841
Number of Preference Shares outstanding at the beginning of the year	5000000	5000000
Add: Number of Preference Shares issued during the year	5000000	-
Number of Preference Shares outstanding at the end of the year	10000000	5000000

**(b) RESERVES AND SURPLUS**

<b>A. Capital Reserve</b>		
As per last Balance Sheet	1497.51	1364.85
Add: Subsidy received from Govt.	222.86	132.66
	1720.37	1497.51
<b>B. Securities Premium Account*</b>		
As per last Balance Sheet	3505.67	3505.67
Add: Addition during the year	2500.00	0.00
	6005.67	3505.67
<b>C. General Reserve</b>		
As per last Balance Sheet	651.96	315.00
Add : Transferred from Surplus balance	535.03	336.96
	1186.99	651.96
<b>D. Surplus</b>		
As per last Balance Sheet	10199.24	7768.54
Previous year adjustment in profits of Subsidiary and Joint Ventures	(0.13)	3.49
Add:- Profit after tax for the Year	5020.52	3260.36
Add: Transfer to Goodwill	-	-
Less: Proposed Dividend		
- Preference Shares	44.93	40.00
- Equity Shares**	803.77	333.97
Less: Dividend Tax***		
- Preference Shares	(6.80)	6.80
- Equity Shares	49.94	115.42
Less: Transferred to General Reserves	535.03	336.96
Balance carried to Balance Sheet	13792.77	10199.24
	22705.80	15854.38

\* Includes premium on Preference Share Capital of ₹ 5000.00 Lacs (P.Y. ₹ 2500.00 Lacs)

\*\* @ ₹ 3/- per share (P.Y. ₹ 2/- Per Share)

\*\*\* The company had during the year 2012-13 received dividend from subsidiary company JBM Auto System Limited amounting to ₹367.80 lacs on which corporate dividend tax was paid by the subsidiary company under the provision of section 115(O)(1A) of Income Tax Act 1961. The company has entitled to take benefit of same, accordingly the provision for corporate dividend tax made in the last year has been reversed in current year.

**Note 3:- NON CURRENT LIABILITIES****( ₹ in Lacs)**

	March, 2014	March, 2013
<b>(a) LONG TERM BORROWINGS</b>		
<b>A. SECURED</b>		
<b>Term Loans From Banks</b>		
In Foreign Currency*	<b>3579.74</b>	4796.90
In Rupee**	<b>8834.50</b>	10824.25
Vehicle Loans From Banks***	<b>25.62</b>	32.47
From Others		579.64
	<b>12439.85</b>	16233.26
Less: Current Maturities of long term borrowings	<b>4893.34</b>	4754.86
	<b>7546.51</b>	11478.40
<b>B. UNSECURED</b>		
<b>Inter Corporate deposits</b>		
-From Related parties		1230.00
-From others	<b>505.00</b>	2188.00
	<b>505.00</b>	3418.00
	<b>8051.51</b>	14896.40

\* ₹ 1517.24 Lacs Secured by First Pari Passu charge on the current assets of the Company (Excluding those from Sanand, Gujarat 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. The Subsidiary, JBM Auto System Pvt. Ltd. has external commercial borrowings of ₹ 2062.50 Lacs is secured by first pari passu charge over the goods and current assets and mortgage by deposit of title deeds by first and exclusive charge over immovable properties situated at Oragadam.

\*\* Term Loan of ₹ 900.00 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 ₹ 2814.60 lacs is secured by first pari passu charge by way of Equitable Mortgage of leasehold land situated at Sanand, Gujarat subleased by Tata Motors Limited & on the moveable fixed assets including plant & machinery situated at Sanand, Gujarat unit of the Company. Term loan of ₹ 1250.00 lacs is secured by first pari-passu charge on all the current assets of the company excluding those from Sanand, Gujarat unit of the company and second pari-passu charge on the movable and immovable fixed assets of the company pertaining to Indore, Madhya Pradesh, Greater Noida Uttar Pradesh and Faridabad, Haryana unit of the Company.

\*\*\* The Subsidiary, JBM Auto System Pvt. Ltd. has medium term loan of ₹ 543.00 Lacs, secured by First pari passu charge on the plant and machinery and movable asset of the company.

\*\* The Subsidiary, JBM Ogihara Automotive India Ltd. has term loan of ₹ 2170.00 lacs, secured by first charge by way of hypothecation over entire moveable fixed assets and equitable mortgage over lease hold rights of land and building situated at plot No. 1, Bidadi Industrial Area, Ramanagar Bengaluru, Karnataka and further secured by second charge on current assets both present and future.

\*\* The Joint Venturer, JBM MA Automotive Pvt. Ltd. has outstanding loan of ₹ 1156.90 lacs is secured by first pari passu charge on all fixed assets both moveable & immoveable and second charge on all current assets.

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

Term of Repayment of Loan	₹. In Lacs	No. of Quarterly/Half yearly installments	Balance Installments	Rate of Interest
Foreign Currency Loan	1517.24	16	9	3Months USD LIBOR Linked rate
Foreign Currency Loan	2062.50	16	11	3Months USD LIBOR Linked rate
Rupee Loan	2814.60	20	11	BPLR Linked rate
Rupee Loan	900.00	20	10	BPLR Linked rate
Rupee Loan	1250.00	20	20	BPLR Linked rate
Rupee Loan	2170.00	27	27	BPLR Linked rate
Rupee Loan	543.00	6	3	BPLR Linked rate
Rupee Loan	1156.90	20	5	BPLR Linked rate

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

(₹ in Lacs)

	March, 2014	March, 2013
<b>(b) DEFERRED TAX LIABILITY (Net)</b>		
Timing Differences on account of		
1)Deferred Tax liability		
- Difference between book depreciation & depreciation under Income Tax Act 1961.	<b>2789.66</b>	3023.68
-Closing balance of Excise Duty	<b>412.23</b>	179.35
2)Deferred Tax Assets		
-Provision for Doubtful debts	<b>(19.34)</b>	(741.17)
-Claim under Sec43 (B) of Income tax Act	<b>(55.28)</b>	(96.84)
-Deferred Tax asset on Unabsorbed losses	<b>(398.36)</b>	(390.34)
3)Net Deferred Tax liability (1-2)	<b>2728.89</b>	1974.68
<b>(c) OTHER LONG TERM LIABILITIES</b>		
Trade payables	<b>2581.69</b>	17.20
Payable for capital goods	<b>295.90</b>	-
	<b>2877.59</b>	17.20
<b>(d) LONG TERM PROVISION</b>		
Provision for Leave encashment	<b>64.15</b>	57.33
	<b>64.15</b>	57.33

**Note 4:- CURRENT LIABILITIES**

<b>(a) SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Loans from Banks		
- Cash Credit*	<b>1776.22</b>	2238.36
-Working Capital Demand Loans*	<b>10710.54</b>	9110.45
- Buyers credit / External Commercial Borrowing**	<b>2706.03</b>	2813.07
<b>UNSECURED</b>		
Loans from Banks		
-Working Capital Loan ***	<b>3114.32</b>	3321.84
Inter Corporate Deposit	-	336.70
	<b>18307.11</b>	17820.42

\* Includes ₹ 8697.89/- Lacs 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 Indore, Madhya Pradesh unit) and by way of second charge on entire moveable assets of the company (excluding moveable assets of Sanand, Gujarat unit) both present and future. Facility utilised of ₹ 200.00 Lacs is secured by exclusive first charge on the entire current assets of Sanand, Gujarat unit of the Company and second charge on moveable fixed assets including plant and machinery at Sanand, Gujarat unit of the Company, both present and future, further secured by second pari passu by way of equitable mortgage on immovable property situated at Nashik, Maharashtra unit of the Company.

\* The subsidiary, JBM Auto System Pvt. Ltd. has outstanding secured short term loan of ₹ 2100.00 Lacs is secured by first charge on book debts and stocks of the company ranking pari passu interse between the company's bankers

\* The subsidiary, JBM Ogihara Automotive India Ltd. has outstanding secured short term loan of ₹ 132.57 Lacs is secured by first charge on entire current assets of the company both present and future and further secured by second charge by way of equitable mortgage over lease hold rights of land & building situated at Plot No. 1, Bidadi Industrial Area, Ramanagar Bengaluru, Karnataka and extension of charge by way of hypothecation over entire fixed assets of the company.

\* The Joint venturer, Indo Toolings Pvt. Ltd. has outstanding secured short term loan of ₹ 38.74 (50% share) Lacs is secured against entire current assets of the Company, existing and future.

\* The Joint venturer, JBM MA Automotive Pvt. Ltd. has outstanding secured short term loan of ₹ 307.02 (50% share) Lacs secured by the hypothecation on pari passu charge on current assets of the company both present and future and pari passu second charge on all present and future fixed assets of the company, ₹ 225.00 Lacs (50% share) is secured by the hypothecation on pari passu charge on current assets of the company both present and future and pari passu second charge on all present and future fixed assets of the company and ₹ 458.43 Lacs is secured against the company receivables only.

\*\* Buyers credit / External Commercial Borrowings are secured by guarantee of Indian Banks.

\*\*\*It represents bills discounted by banker's

(₹ in Lacs)

	March, 2014	March, 2013
<b>(b) TRADE PAYABLE</b>	<b>22428.48</b>	16097.29
	<b>22428.48</b>	16097.29
<b>(c) OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term borrowings	<b>4893.34</b>	4754.86
Current maturities of deferred liabilities	<b>1.50</b>	-
Interest accrued but not due on borrowings	<b>108.11</b>	92.79
Interest accrued and due on borrowings	<b>31.50</b>	103.79
Unpaid/Unclaimed Dividend	<b>5.58</b>	5.00
	<b>5040.03</b>	4956.44
<b>Other Payables</b>		
Capital Creditors	<b>3531.52</b>	3006.68
Statutory Dues Payable	<b>876.92</b>	888.86
Employee related Liabilities	<b>851.32</b>	680.87
Advance from customers	<b>8997.53</b>	4368.74
Others	<b>1180.73</b>	670.95
	<b>15438.02</b>	9616.10
	<b>20478.05</b>	14572.54
<b>(d) SHORT TERM PROVISIONS</b>		
Provision for employee benefits	<b>186.64</b>	162.77
Provision for Proposed Dividend		
- Preference Shares	<b>44.93</b>	40.00
- Equity Shares	<b>305.96</b>	203.98
Provision for Dividend Tax on Proposed Dividend	<b>84.60</b>	41.46
Provision for income Tax	<b>132.00</b>	182.87
	<b>754.13</b>	631.08



**NOTE 5 : FIXED ASSETS**

(₹ in Lacs)

Description	GROSS BLOCK					DEPRECIATION					Net Block	
	As at 01.04.2013	Additions during the year	Other Adjustments*	Sales/ Disposal during the year	Total as at 31.03.2014	As at 01.04.2013	For the year	Other Adjustments**	Written Back/ Adjustment on sales/disposal	Total as at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>												
Land (Freehold)	254.93	-	-	-	254.93	-	-	-	-	-	254.93	254.93
Land (Lease Hold)	5922.40	579.91	-	-	6502.32	280.35	77.57	-	-	357.92	6144.40	5642.06
Building	10261.41	3176.47	-	-	13437.87	1531.40	486.71	-	-	2018.11	11419.76	8730.00
Plant & Machinery	48721.81	5427.86	-	92.22	54057.46	22996.56	3225.23	3.45	22.14	26203.10	27854.36	25725.26
Furniture & Fixtures	195.40	54.15	-	-	249.55	119.21	21.88	0.58	-	141.68	107.87	76.19
Office Equipments	639.84	92.47	-	4.09	728.22	379.37	72.45	0.72	3.46	449.08	279.15	260.47
Vehicles	369.05	20.55	-	36.34	353.26	147.89	40.39	0.55	21.65	167.18	186.08	221.17
<b>Total Tangible Assets</b>	<b>66364.85</b>	<b>9351.41</b>	<b>-</b>	<b>132.65</b>	<b>75583.61</b>	<b>25454.78</b>	<b>3924.23</b>	<b>5.30</b>	<b>47.26</b>	<b>29337.06</b>	<b>46246.55</b>	<b>40910.07</b>
<b>Intangible Assets</b>												
Computer Software	384.30	61.04	-	-	445.34	285.22	84.48	-	-	369.70	75.64	99.07
Technical Know-How	-	591.80	-	-	591.80	-	7.03	-	-	7.03	584.77	-
<b>Total Intangible Assets</b>	<b>384.30</b>	<b>652.84</b>	<b>-</b>	<b>-</b>	<b>1037.14</b>	<b>285.22</b>	<b>91.50</b>	<b>-</b>	<b>-</b>	<b>376.73</b>	<b>660.41</b>	<b>99.07</b>
<b>Total</b>	<b>66749.15</b>	<b>10004.25</b>	<b>-</b>	<b>132.65</b>	<b>76620.75</b>	<b>25740.01</b>	<b>4015.74</b>	<b>5.30</b>	<b>47.26</b>	<b>29713.78</b>	<b>46906.96</b>	<b>41009.14</b>
Previous Year	57085.22	9868.18	35.88	240.13	66749.15	22581.12	3311.08	6.91	159.10	25740.01	41009.14	34504.10
<b>Capital Work in Progress</b>											<b>7893.44</b>	3974.71

## NOTES :-

\* Other Adjustments includes ` 35.88 Lacs (P.Y. ` 12.57 Lacs) on account of Exchange Fluctuation and ` Nil (P.Y. ` 98.12 Lacs) on account of Interest cost.

\*\* Other Adjustment includes Depreciation capitalised of ` 5.30 Lacs (P.Y. Nil) and depreciation of ` Nil (P.Y. Rs 6.91 lacs) on account of foreign Exchange fluctuation capitalised [note 33(a)] has been adjusted against the exceptional item.

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 which are yet to be registered in the name of the company.

**NOTE 6: NON - CURRENT INVESTMENTS**

(₹ in Lacs)

	March, 2014	March, 2013
<b>TRADE- UNQUOTED (fully paid up) at Cost</b>		
<b>Investment in Equity Instrument</b>		
2,67,000 (P.Y.-2,67,000)Equiy Shares of ₹ 10/- each fully paid up in Pitampura Auto Cluster Limited	13.35	13.35
1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of ₹10/- each in Yorozu JBM Automotive Tamilnadu Pvt. Ltd.	1000.00	1000.00
<b>Investment in Preference Shares</b>		
57,33,000(P.Y.- 57,33,000) 4% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Pitampura Auto Cluster Limited	286.65	286.65
	<b>1300.00</b>	1300.00
Aggregate value of unquoted investment	<b>1300.00</b>	1300.00

**NOTE 7 : LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)		
Capital advances	1782.79	651.66
Security Deposit	178.74	160.19
Other Loans & Advances	808.17	849.90
	<b>2769.70</b>	1661.75

**NOTE 8 : OTHER NON CURRENT ASSETS**

(Unsecured, considered good)		
Hedging Gain Recoverable (Refer Note: 26)	256.29	243.66
Others (Refer Note:30)	192.40	741.60
	<b>448.69</b>	985.26

**NOTE 9: CURRENT ASSETS**

<b>(a) INVENTORIES</b>		
Raw material	9337.31	7562.40
Work in process	5330.75	4377.37
Stores, spares & consumables	341.63	349.71
Scrap	89.72	102.01
Material in transit	58.05	172.44
Finished Goods	687.07	546.95
	<b>15844.53</b>	13110.88
<b>(b) TRADE RECEIVABLES</b>		
(Unsecured )		
Debts outstanding for more than six months		
- Considered good	1002.82	606.18
- Considered doubtful	56.90	26.98
	<b>1059.72</b>	633.16
Less: Amount Received (Refer Note No. 32)	231.02	231.02
Less: provision for doubtful debts	56.90	26.98
	<b>771.80</b>	375.16
Other debts, considered good	23303.44	20000.52
	<b>24075.24</b>	20375.68
<b>(c) CASH AND BANK BALANCE</b>		
<b>A Cash and Cash Equivalents</b>		
Cash in hand	20.19	16.67
Balances with Banks		
- In Current account	660.93	499.49
- In Unpaid Dividend account	5.58	5.00
Deposits for less than 3 Months Maturity*	38.81	33.59

(₹ in Lacs)

	March, 2014	March, 2013
<b>B Other Bank balances</b>		
In Fixed Deposit account ( 3-12 Months Maturity)*	13.76	7.21
	<b>739.26</b>	561.96
* Under Bank's lien and includes Interest Accrued ₹ 3,35,307/- (P.Y. ₹ 3,39,292/-) there on		
<b>(d) OTHER CURRENT ASSETS</b>		
<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 No. 30)	1325.19	989.54
Advance to suppliers		
- Considered good	1023.02	849.73
- Considered doubtful	-	0.42
Less: Provision for doubtful advance	-	(0.42)
Security deposits	174.43	147.18
MAT Credit Available	256.25	-
Advance income tax	82.62	76.36
Balance of Modvat/ Cenvat	2452.62	2649.25
Sales Tax/VAT Recoverable	102.31	66.32
Hedging Gain recoverable	59.73	43.32
	<b>5476.17</b>	4821.70

**NOTE-10 REVENUE FROM OPERATIONS**

Sale of Products	139342.94	117446.90
Sale of Services	606.17	724.22
Other Operating Revenue	14092.17	14013.77
Gross Revenue from Operations	<b>154041.28</b>	132184.89

**NOTE 11 : OTHER INCOME**

Interest {TDS Rs. 63,622/- (P.Y. ₹ 1,32,358/-)}	21.14	21.20
Profit on Sale of Fixed Assets (Net)	8.39	7.45
Miscellaneous Income	529.33	352.04
	<b>558.86</b>	380.69

**NOTE 12: CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**

**Opening Stocks\* :**

Work in process	3800.52	4283.73
Finished goods	1115.77	919.51
	<b>4916.29</b>	5203.24
<b>Less : Closing Stocks :</b>		
Work in process	4419.62	3810.80
Finished Goods	1595.15	1115.77
	<b>6014.77</b>	4926.57
<b>(Increase) / Decrease in Stocks</b>	<b>(1098.48)</b>	276.67

\* Includes ₹ 10,27,547/-(P.Y ₹ 28,881/-) on account of difference of Unaudited and Audited Financial statements of Previous year of Joint Ventures

**NOTE 13: EMPLOYEE BENEFITS EXPENSE**

Salaries & wages	9732.41	8508.08
Contribution to ESI, PF and other funds	420.74	335.16
Staff welfare	1145.05	859.42
	<b>11298.19</b>	9702.66

**NOTE 14 : FINANCE COST**

(₹ in Lacs)

	<b>March, 2014</b>	<b>March, 2013</b>
Interest to Banks- term loans	<b>1823.44</b>	2719.34
Interest- others	<b>1647.21</b>	1469.08
Other Financial Charges	<b>34.14</b>	43.07
Applicable net (Gain)/Loss on foreign currency transactions and translation	<b>93.48</b>	116.72
	<b>3598.27</b>	4348.21

**NOTE 15 : OTHER EXPENSES**

Stores consumed	<b>1592.16</b>	1306.04
Manufacturing expenses	<b>1272.17</b>	1338.26
Power & fuel	<b>2180.85</b>	2076.89
Packing Material	<b>686.57</b>	788.86
Machinery repairs and maintenance	<b>1163.25</b>	805.43
Rent (including land lease rent)	<b>136.20</b>	146.08
Rates & taxes	<b>111.78</b>	195.85
Insurance	<b>39.53</b>	33.48
Repair & maintenance		
-Building	<b>192.05</b>	75.78
-Others	<b>578.19</b>	518.11
Bad Debts written off	<b>38.55</b>	25.61
Loss on sale of assets/written off (Net)	<b>8.65</b>	25.86
Provision for Bad & Doubtful Debts	<b>30.07</b>	28.71
Freight & Forwarding charges	<b>916.35</b>	807.29
Exchange fluctuation(Net)	<b>35.31</b>	34.29
Miscellaneous expenses *	<b>1904.26</b>	1390.66
	<b>10885.94</b>	9597.20

\* Includes ₹ 18,61,395/- (P.Y. ₹ 13,08,283/-) on account of Excise Duty Provision on change in stock.

**NOTE: 16 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: 17 THE JOINT VENTURES CONSIDERED IN CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE: 18** 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. Such different accounting policies have been adopted in respect of the following:

Particulars	Name of Joint venture/ Subsidiaries	Accounting Policies	
		JBM Auto Ltd.	Subsidiaries/Joint Venture
<b>Inventory</b>			
	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: 19** In respect of jointly controlled Entities, the Company's share of Assets, Liabilities, income and expenditure of the joint venture companies are as follows:

Particulars	2014		2013	
<b>Assets</b>				
Fixed Assets	<b>8446.64</b>		8448.87	
Non- Current Investments	<b>300.00</b>		300.00	
Long term loans & advances	<b>168.40</b>		120.85	
Current Assets	<b>6720.04</b>		6200.21	
Deferred Tax Asset	<b>4.29</b>		3.58	
<b>Liabilities</b>				
Non-Current Liabilities and Provisions	<b>2315.93</b>		2935.85	
Short term Borrowings	<b>2448.20</b>		2829.70	
Current Liabilities and Provisions	<b>6851.65</b>		5681.73	
<b>Income</b>	<b>14777.75</b>		16411.09	
<b>Expenses</b>	<b>14603.13</b>		16251.54	

**NOTE: 20 EARNING PER SHARE**

Particulars	2014	2013
a) Profit after tax as per Statement of Profit & Loss (₹ In Lacs)	<b>5020.52</b>	3260.36
b) Preference dividend and dividend tax thereon	<b>47.63</b>	46.80
c) Net profit available for equity share holders	<b>4972.89</b>	3213.56
Total Equity Shares (No's)	<b>10198841</b>	10198841
Basic/Diluted Earning per Share (₹)	<b>48.76</b>	31.51

**NOTE: 21 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARE CAPITAL AS ON THE BALANCE SHEET DATE**

Name of Shareholders	31.03.2014		31.03.2013	
	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%	1892565	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	1000000	100%	5000000	100%

**NOTE: 22 CONTINGENT LIABILITIES**

(₹ in Lacs)

Sr.No.	Particulars	2014	2013
i)	Letter of Credit outstanding	3250.44	2050.67
ii)	Guarantees issued by the Bank on behalf of the Company	857.05	338.11
iii)	Claims against the Company not acknowledged as debt	629.13	739.21

**NOTE: 23** Estimated amounts of contracts remaining to be executed on capital account (Net of advances) not provided for ₹ 4101.68/-Lacs (P.Y. ₹ 2335.31/- Lacs).

**NOTE: 24 AUDITOR'S REMUNERATION**

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

(₹ in Lacs)

	2014	2013
a) Audit fee	33.90	30.50
b) Tax audit fees	6.00	6.05
c) Taxation matter	2.73	5.09
d) Others	11.51	9.14

**NOTE: 25 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.

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		Total of Reportable Segments	
	2014	2013	2014	2013	2014	2013
External Sales	<b>123815.86</b>	107496.29	<b>12511.52</b>	9511.45	<b>136327.37</b>	117007.74
Inter Segment Sales	<b>16.40</b>	27.64	-	-	<b>16.40</b>	27.64
Other Income	<b>525.28</b>	149.44	<b>16.73</b>	260.50	<b>542.01</b>	409.94
Segment Revenues	<b>124357.54</b>	107673.37	<b>12528.25</b>	9771.95	<b>136885.79</b>	117445.33
Segment Results	<b>9494.25</b>	9104.61	<b>2088.37</b>	1323.19	<b>11582.62</b>	10427.78
Segment Assets	<b>81767.08</b>	69036.04	<b>9219.44</b>	7431.93	<b>90986.52</b>	76467.97
Segment Liabilities	<b>32265.20</b>	25826.55	<b>10919.08</b>	5405.55	<b>43184.28</b>	31232.11
Capital Expenditure	<b>13227.18</b>	10517.32	<b>695.80</b>	202.39	<b>13922.98</b>	10719.71
Depreciation/ Amortisation	<b>3811.15</b>	3139.84	<b>193.39</b>	159.05	<b>4004.54</b>	3298.89

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

(₹ in Lacs)

	Revenues		Results/ Net Profit		Assets		Liabilities	
	2014	2013	2014	2013	2014	2013	2014	2013
Total Reportable Segments	<b>136885.79</b>	117445.33	<b>11582.62</b>	10427.78	<b>90986.52</b>	76467.97	<b>43184.28</b>	31232.11
Inter segment sales/ Adjustments	<b>(16.40)</b>	(27.64)	-	-	-	-	-	-
Corporate unallocated/ Others (Net)	<b>78.59</b>	88.32	<b>(3181.03)</b>	(4443.72)	<b>14554.73</b>	11420.39	<b>29776.74</b>	32860.16
Taxes/ Deferred Tax	-	-	<b>(2702.53)</b>	(2189.43)	<b>4.29</b>	3.58	<b>2733.18</b>	1978.26
As per Financial statements	<b>136947.97</b>	117506.01	<b>5699.06</b>	3794.64	<b>105545.55</b>	87891.90	<b>75694.21</b>	66070.53

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: 26** 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 31.03.2014**

Nos. of Contracts		Equivalent USD		INR Equivalents (₹ in Lacs)	
2014	2013	2014	2013	2014	2013
<b>3</b>	2	<b>70.88</b>	93.83	<b>3794.59</b>	4796.90

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

(figures in Lacs)

Liabilities	As at March 31, 2014	As at March 31, 2013
In Euros (€)	1.12	0.02
(Equivalent approximate in INR)	92.47	1.22
In US Dollar (\$)	53.42	36.88
(Equivalent approximate in INR)	3212.78	1411.84
In SEK (kr)	0.15	-
(Equivalent approximate in INR)	1.51	-
In JPY (¥)	1158.69	66.27
(Equivalent approximate in INR)	684.27	38.49
In Thai Baht ( THB)	-	126.99
(Equivalent approximate in INR)	-	235.81
<b>Assets</b>		
In Euros (€)	7.10	4.93
(Equivalent approximate in INR)	556.03	343.94
In JPY (¥)	-	6.35
(Equivalent approximate in INR)	-	3.70
In US Dollar (\$)	8.55	-
(Equivalent approximate in INR)	516.01	-

**NOTE: 27 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 Lacs) in the statement of Profit and Loss :

	2014	2013
Employer's Contribution to Provident Fund*	361.45	308.17

**ii) State Plans**

During the year the Company has recognized the following amounts (₹ in Lacs) in the statement of Profit and Loss :

	2014	2013
Employer's contribution to Employee State Insurance*	27.42	26.13
Employer's contribution to Welfare Fund*	0.98	0.86

\*included in contribution to Provident and other funds under Employee Remuneration and Benefits (Refer Note no. 13).

**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.



(₹ in Lacs)

Sr. No	Particulars	2014		2013	
		Leave Encashment/Compensated Absence	Employee Gratuity Fund	Leave Encashment/Compensated Absence	Employee Gratuity Fund
<b>i)</b>	<b>Actuarial Assumptions</b>				
	Discount Rate (per annum)	9.10%	9.10%	8.15%	8.15%
	Rate of increase in compensation levels	5%	5%	5%	5%
	Rate of return on plan assets	N.A.	8.75%	N.A.	9.21%
	Expected Average remaining working lives of employees (years)	23.05	23.05	23.09	23.09
<b>ii)</b>	<b>Change in the obligation during the year ended 31st March, 2014</b>				
	Present value obligation as at 31st March, 2013	81.91	189.83	50.22	143.81
	Interest cost	6.62	16.55	3.65	10.99
	Past service cost	-	-	-	-
	Current service cost	39.32	36.51	36.90	29.83
	Curtailement cost	-	-	-	-
	Settlement cost	-	-	-	-
	Benefit paid	(18.27)	(15.96)	(10.82)	(18.02)
	Actuarial (gain)/loss on obligations	(17.90)	(1.90)	1.95	23.23
	Present value obligation as at 31st March, 2014*	91.68	225.03	81.91	189.83
<b>iii)</b>	<b>Change in fair value plan Assets</b>				
	Fair value of Plan Assets as at 31st March, 2013	-	226.81	-	203.04
	Expected return on Plan Assets	-	19.40	-	18.99
	Contributions	-	1.09	-	33.41
	Withdrawals	(18.27)	(11.17)	(10.82)	(27.00)
	Actuarial gain/(loss) on Obligations	-	0.17	-	(1.64)
	Fair value of Plan Assets as at 31st March, 2014	-	236.30	-	226.81
<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, 2014	91.68	225.03	81.91	189.83
	Fair value of Plan Assets as at 31st March, 2014	-	236.30	-	226.81
	Funded Status	-	11.27	-	36.98
	Present value of unfunded obligation as at 31st March, 2014	-	-	-	-
	Unfunded Actuarial (gains)/Losses	-	-	-	-
	Unfunded Net Asset/(Liability) recognized in Balance Sheet*	(91.68)	-	(81.91)	-
<b>v)</b>	<b>Expenses recognized in Profit and Loss Account</b>				
	Current service cost	39.32	36.51	36.90	29.83
	Past Service cost	-	-	-	-
	Interest cost	6.62	16.55	3.65	10.99
	Expected return on Plan Assets	-	(19.40)	-	(18.99)
	Curtailement cost	-	-	-	-
	Settlement cost	-	-	-	-
	Net Actuarial (gain)/loss recognized during the year	(17.90)	(2.06)	1.95	24.87
	Total Expense recognized in Profit and Loss Account#	28.04	31.58	42.51	46.68

\*This pertains to Long term Liability worked in respect of deferred leave only. Expected short term liability of ₹ 37,77,543/- (P.Y.- 29,96,649/-)

# This pertains to Long term liability only. Actual payments (under the various heads) incurred over the intervaluation period should be added to this figure.

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

**NOTE: 28 STATEMENT OF TRANSACTIONS WITH RELATED PARTIES**

<b>Enterprises over which Key Management Personnel and their relative are able to exercise significant influence</b>	<b>Joint Venturer</b>	<b>Key Management personnel and their relatives</b>
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
		Mr. S.C. Suneja

(₹ in Lacs)

<b>Particulars</b>	<b>2013-14</b>			<b>2012-13</b>		
	<b>Enterprise over which key management personnel and their relative are able to exercise significant influence / Venturer</b>	<b>Key Management personnel and their relatives</b>	<b>Total</b>	<b>Enterprise over which key management personnel and their relative are able to exercise significant influence / Venturer</b>	<b>Key Management personnel and their relatives</b>	<b>Total</b>
<b>Issue of preference share capital at premium</b>						
Neel Metal Products Ltd.	3000.00		3000.00			
<b>Total</b>	3000.00		3000.00			
<b>Dividend Paid</b>						
Neel Metal Products Ltd.	44.93		44.93	40.00		40.00
<b>Total</b>	44.93		44.93	40.00		40.00
<b>Purchase of capital goods</b>						
Neel Metal Products Ltd.	231.72		231.72	112.87		112.87
Jay Bharat Maruti Ltd.	2.20		2.20			
<b>Total</b>	233.92		233.92	112.87		112.87
<b>Sale of Goods &amp; Job work</b>						
Neel Metal Products Ltd.	1437.99		1437.99	3034.56		3034.56
Jay Bharat Maruti Ltd.	914.18		914.18	840.43		840.43
JBM Industries Ltd.	73.16		73.16	82.20		82.20
<b>Total</b>	2425.33		2425.33	3957.19		3957.19
<b>Sale of Capital goods</b>						
Neel Metal Products Ltd.	34.77		34.77	1697.51		1697.51
JBM Industries Ltd.	0.40		0.40	1.00		1.00
<b>Total</b>	35.17		35.17	1698.51		1698.51
<b>Purchase of the goods</b>						
Neel Metal products Limited	9915.89		9915.89	3123.05		3123.05
Jay Bharat Maruti Ltd.	2548.91		2548.91	510.58		510.58
JBM Industries Ltd.	38.91		38.91	24.20		24.20
MA SPA	31.03		31.03			
<b>Total</b>	12534.74		12534.74	3657.83		3657.83
<b>Interest paid</b>						
JBM Industries Ltd.				6.38		6.38
Neel Metal Products Ltd.	126.85		126.85	121.77		121.77
<b>Total</b>	126.85		126.85	128.15		128.15
<b>Others Expenses</b>						
Gurera Industries Ltd.	3.50		3.50	3.00		3.00
Neel Metal Products Ltd.	41.21		41.21	36.04		36.04
JBM Industries limited	12.01		12.01	26.03		26.03
Ogihara (Thailand) Co. Ltd.	87.89		87.89	98.94		98.94

(₹ in Lacs)

Jay Bharat Maruti Ltd.	34.53	34.53	9.03	9.03
<b>Total</b>	<b>179.14</b>	<b>179.14</b>	173.04	173.04
<b>Managerial Remuneration</b>				
Mr. H. R. Saini	30.26	30.26	27.96	27.96
Mr. Pramod Manglik	71.50	71.50	65.00	65.00
Mr. Rajesh Sahay	45.50	45.50	45.00	45.00
S.C. Suneja	31.80	31.80	26.50	26.50
<b>Total</b>	<b>179.06</b>	<b>179.06</b>	164.46	164.46
<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>19.50</b>	19.50	19.50
<b>EMI of Car Loan</b>				
Jay Bharat Maruti Ltd.	14.65	14.65	16.56	16.56
<b>Total</b>	<b>14.65</b>	<b>14.65</b>	16.56	16.56
<b>Loan</b>				
Neel Metal Products Ltd.			1230.00	1230.00
<b>Total</b>			1230.00	1230.00
<b>Amount Recoverable</b>				
JBM Industries Ltd.	56.84	56.84	15.15	15.15
Neel Metal Products Ltd.	253.57	253.57	95.05	95.05
Jay Bharat Maruti Ltd.	1400.34	1400.34	47.52	47.52
Gurera Industries Ltd.	2.23	2.23	5.08	5.08
MA SPA			2.93	2.93
<b>Total</b>	<b>1712.98</b>	<b>1712.98</b>	165.73	165.73
<b>Amount Payable</b>				
Neel Metal Products Ltd.	200.84	200.84	1.10	1.10
Jay Bharat Maruti Ltd.			4.51	4.51
MA SPA	59.33	59.33		
JBM Industries Ltd.	13.18	13.18		
Ogihara (Thailand) Co. Ltd.	73.72	73.72	83.17	83.17
S.C. Suneja			3.98	3.98
<b>Total</b>	<b>347.07</b>	<b>347.07</b>	88.78	92.76
<b>Loans and Advance</b>				
Neel Metal Products Ltd.			300.00	300.00
<b>Total</b>			300.00	300.00

**NOTE: 29** 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 is being charged to revenue in the year of payment. The lease rent as stipulated in the agreement shall increase periodically.

**NOTE: 30** 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: 31** 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 Singur Land rehabilitation and Development Act, 2011. The Division Bench of the Kolkata High Court had held that the Singur Act was unconstitutional and had therefore struck down the Act. The State Government has challenged the said judgment of the Kolkata High Court before the Hon'ble Supreme Court and the same is still pending. Meanwhile the Division Bench had granted a stay on the said order dated 21st June, 2012 which has also been extended by Supreme Court. By virtue of the order of stay, the State Government is still retaining the possession of the Singur land.

Pending finalization of the case, the company has not made any provision against advance given for the same.

**NOTE: 32** The Company was awarded a sum of ₹ 355.13 lacs in the arbitration proceedings against a trade receivable. The other party had appealed against the arbitration order in the Hon'ble Supreme Court of India and has deposited 50% of the said sum amounting to ₹177.56 lacs in the form of interest bearing FDR's till the finalization of appeal. The company filed an SLP in the Hon'ble Supreme Court and got released amount deposited as FDR along with interest amounting to ₹231.02 lacs in 2012 with a direction that if ultimately the SLP is directed against the Company, then the Company has to refund the amount with interest.

In view of the same the effect of the same will be accounted for on the final settlement of the case.

**NOTE: 33** (a) Up to 31 st March, 2012 the exchange difference arising from long term foreign borrowings, to the extent they were regarded as an adjustment to interest cost, were treated as borrowing cost in terms of AS-16, "Borrowing costs". Pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy w.e.f. 1st April 2011, to treat the same as "Foreign exchange fluctuation" accounted as per AS-11 "Effects of changes in Foreign Exchange Rates", instead of AS-16 "Borrowing Costs". This has resulted in to reversal of finance cost of ₹ 35.88 lacs/- and increase in depreciation by ₹ 6.91/- lacs in the previous year. The aforesaid change, resulting in net gain of ₹ 28.97/- lacs has been shown as exceptional items and has increased Basic/ Diluted EPS by ₹ 0.28/- in the previous year.

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

**NOTE: 34** 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: 35** Trade and Other Receivables and Payables are subject to confirmation.

**NOTE: 36** 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

**S. K. Arya**

Chairman

**Nishant Arya**

Director

**M.K. Aggarwal**

Director

**H.R. Saini**

Executive Director

**Ashok Kumar Agarwal**

Director

**Vivek Gupta**

Chief Financial Officer  
& Company Secretary

Place : Gurgaon (Haryana)

Dated : 30th May, 2014









Our milestones are touchstones

#### REGISTERED OFFICE

JBM Auto Limited  
601, Hemkunt Chambers,  
89, Nehru Place, New Delhi - 110019  
Ph: +91 11 26427104-06  
Fax: +91 11 26427100  
E-Mail: corp@jbm.co.in  
Website: www.jbm-group.com

#### CORPORATE OFFICE

JBM Auto Limited  
Plot No. 9, Institutional Area  
Sector - 44, Gurgaon - 122003, Haryana  
Ph: +91 124 4674500-550  
Fax: +91 124 4674599

#### WORKS

Plot No. 133, Sector - 24, Faridabad - 121005, Haryana  
Ph: +91 97111 69782-83 Fax: +91 129 2233809

71-72, MIDC, Satpur, Nashik - 422007, Maharashtra  
Ph: +91 253 2360548 Fax: +91 253 2360558

Plot No. 118, Sector - 59, HSIDC, Industrial Estate  
Ballabhgarh, Faridabad - 121004, Haryana  
Ph: +91 129 2307312 Fax: +91 129 2307016

Plot No. 157 - E, Sector - 3,  
Pithampur Industrial Area, Dhar - 454775,  
Indore, Madhya Pradesh  
Ph: +91 129 2307312 Fax: +91 129 2307016

SP1-891, RIICO Industrial Area  
Pathredi, Alwar - 303107, Rajasthan

Plot No. 5, Sector - 31, Kasna Industrial Area,  
Greater Noida - 201306, Uttar Pradesh  
Ph: +91 120 4522500, 2341417, 2341429  
Fax: +91 120 2341423

Plot No. B - 2, Survey No. 1  
Tata Motors Vendor Park  
Sanand - 382170, Ahmedabad, Gujarat

A - 4, Industrial Estate  
Kosi Kotwan, Mathura - 281403, Uttar Pradesh



# JBM Auto Limited

Registered Office: 601, Hemkunt Chambers

89, Nehru Place, New Delhi - 110 019

CIN : L74899DL1996PLC083073

E-mail: corp@jbm.co.in; Website: www.jbm-group.com

Ph. 011-26427104 -06; Fax: 011-26427100



## NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of JBM Auto Limited will be held on Wednesday, the 24th day of September, 2014 at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A. P. S. Colony, Delhi Cantt., New Delhi - 110 010 at 11:00 A.M. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. S. K. Arya (DIN: 00004626), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nishant Arya (DIN: 00004954), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

6. **To re-appoint Mr. H. R. Saini (DIN: 00004665), as a Whole Time Director (to be designated as an "Executive Director") for a further period of one year and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Mr. H. R. Saini be and is hereby re-appointed as a Whole Time Director (to be designated as an "Executive Director") for a further period of 1 (One) year w.e.f. 7th June, 2014 on the terms & conditions and remuneration as set out below:

- a. Basic Salary: Rs.1,35,000/- (Rupees One Lac Thirty Five Thousand Only) per month in the pay scale of ₹ 1,00,000/- – ₹ 1,50,000/- with an authority to the Board of Directors or Nomination & Remuneration Committee to fix the quantum of annual increment within the above scale from time to time.
- b. Perquisites & Allowances: Mr. H. R. Saini will 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 Nomination & 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 the following, which shall not be included in the computation of the perquisites for the purpose of calculating the said ceiling of perquisites:

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

RESOLVED FURTHER THAT 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 Fund, 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 month's salary for each completed year of service;
- iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors or Nomination & Remuneration Committee of the Company be and are hereby authorized to alter / vary the terms and conditions 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, 2013.

RESOLVED FURTHER THAT Mr. H. R. Saini, Executive Director shall not be liable to retire by rotation while holding of the office of the Whole Time Director.

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

7. **To appoint Mr. Ashok Kumar Agarwal (DIN: 00003988) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashok Kumar Agarwal (DIN: 00003988), Director be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from 1st April, 2014 to 31st March, 2019, whose period of office shall not be liable to retire by rotation."

8. **To appoint Mr. Mahesh Kumar Aggarwal (DIN: 00004982) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mahesh Kumar Aggarwal (DIN: 00004982), Director be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from 1st April, 2014 to 31st March, 2019, whose period of office shall not be liable to retire by rotation."

9. **To appoint Mrs. Vimal Vasisht (DIN: 06928805), as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Vimal Vasisht (DIN: 06928805), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from 24th September, 2014 to 23rd September, 2019, whose period of office shall not be liable to retire by rotation."

10. **To ratify the remuneration of the Cost Auditors for the financial year 2014-15 and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to any amendment(s) in Law, Rules and Regulations, M/s Jitender Navneet & Co., Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15 be paid the remuneration as set out in the explanatory statement annexed to the notice."

11. **To sub-divide the face value of equity shares of the Company and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and Article 60 of the Articles of Association of the Company and subject to guidelines, regulations and clarifications issued by the Securities and Exchange Board of India (SEBI) for the time being in force and the listing agreement entered into with the Stock Exchanges and subject to such statutory approvals, consents, permissions and sanctions, if any, required from any authority, the approval of the Company be and is hereby accorded to the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) for sub-division of every 1 (one) equity share of the face value of ₹ 10/- (Rupees Ten) each into 2 (two) equity shares of ₹ 5/- (Rupees Five) each.

RESOLVED FURTHER THAT pursuant to sub-division of equity shares of the Company, each Issued, Subscribed and Paid-up Equity Share of the face value of ₹ 10/- (Rupees Ten) each shall stand sub-divided into 2 (Two) equity shares of the face value of ₹ 5/- each fully paid-up and also each Authorized Equity Share of the face value of ₹ 10/- (Rupees Ten) each shall stand sub-divided into 2 (Two) equity shares of the face value of ₹ 5/- (Rupees Five) each.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to recall the physical Share Certificates for cancellation and to issue new Share Certificates in lieu of existing Share Certificates subject to the Companies (Share Capital and Debentures) Rules, 2014 and to settle any question that may arise with regard to sub-division of equity shares as aforesaid or for any matters connected therewith or incidental thereto and to finalize and execute all necessary documents with the Stock Exchanges, the Depositories, Reserve Bank of India and/or any other statutory authority."

12. **To increase the authorized share capital of the Company and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Article 59 of the Articles of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from ₹ 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of ₹ 10/- (Rupees Ten) each and 1,00,00,000 (One Crore) Preference Shares of ₹ 10/- (Rupees Ten) each to ₹ 50,00,00,000/- (Rupees Fifty Crore Only) divided into 8,00,00,000 (Eight Crore) Equity Shares of ₹ 5/- (Rupees Five) each and 1,00,00,000 (One Crore) Preference Shares of ₹ 10/- (Rupees Ten) each."

13. **To alter the capital clause of the Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company be and is hereby deleted and in its place the following new Clause V be substituted:

V. The Authorized Share Capital of the Company is ₹ 50,00,00,000/- (Rupees Fifty Crore Only) divided into 8,00,00,000 (Eight Crore) Equity Shares of ₹ 5/- (Rupees Five) each and 1,00,00,000 (One Crore) Preference Shares of ₹ 10/- (Rupees Ten) each."

14. **To issue securities and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into with the Stock Exchanges and subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 ("SEBI ICDR"), the provisions of the Foreign Exchange and Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000, applicable rules, regulations, guidelines, laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such condition(s) as may be prescribed by any one of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approval") which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorized to create, issue, offer and allot, in one or more tranches, equity shares, equity shares through depository receipts, preference shares whether convertible or not, fully convertible debentures, partly convertible debentures, non-convertible debentures or other securities convertible into

equity shares, foreign currency convertible bonds, bonds with share warrants attached, warrants with right exercisable by the warrant holder to subscribe for the equity Shares to Domestic/Foreign Institutions, Non Resident Indians(NRIs), Indian Companies, Bodies Corporate, Mutual Funds, Qualified Institutional Buyers (QIBs), Banks, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not at such price or prices and on such terms and conditions and in such manner as the Board may in its absolute discretion determine, in consultation with the lead managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of such Securities as above should not exceed ₹500,00,00,000/- (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT the above securities shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to determine the form and terms of the issue(s), including the class of investors to whom such Securities are to be allotted, the number of securities to be allotted in each tranche, issue price, premium amount on issue/ conversion of securities, redemption of securities whether at par or premium, rate of interest, redemption period, listing on one or more stock exchange in India and/or abroad as the Board in its absolute discretion, deem necessary or desirable for such purpose including entering into agreement(s) with underwriters, Lead Managers, advertisers, or other intermediaries/Agencies and to make and accept any modification(s) in the proposal as may be required by the authorities involved in such issues in India and/or abroad and to settle any question or difficulties that may arise in regard to the issue(s)."

15. **To issue Bonus Shares in the ratio of 1 : 1 i.e. One equity share for every One Equity Share held and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Article 133 & 134 of the Articles of Association of the Company, all the applicable provisions of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") and subject to the necessary approvals and/or sanctions of Reserve Bank of India and such other concerned authorities, as may be necessary and modifications as may be specified while granting the said approvals from time to time, a part of the amount standing to the credit of Securities Premium Account / Free Reserves be and is hereby capitalized and transferred to Share Capital Account and that such sum be applied for allotment of new equity shares of ₹ 5/- (Rupees Five) each of the Company as fully paid-up Bonus Shares to the persons who on a date to be declared by the Board of Directors (hereinafter referred to as "Record Date") are the holders of the existing equity shares of ₹ 5/-each of the Company, and that such new equity shares credited as fully paid-up be accordingly allotted as Bonus Shares to such persons respectively as aforesaid in the proportion of 1 (One) Equity Share for every 1 (One) existing Equity Share held by such person(s) respectively on the Record Date.

RESOLVED FURTHER THAT the new Equity Shares of ₹ 5/- (Rupees Five) each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing Equity Shares and shall be entitled to participate in full in any dividends declared after the Bonus Shares are allotted.

RESOLVED FURTHER THAT no letters of allotment be issued with respect to additional equity shares but the dispatch of share certificates to shareholders who hold their existing equity shares in physical form will be completed thereof within the prescribed period and that the bonus shares will be credited to the demat account of the allottees who are holding the existing equity shares in electronic form.

RESOLVED FURTHER THAT the issue and allotment of fully paid new equity shares as bonus shares to the extent that they relate to non-resident members, Foreign Institutional Investors (FIIs) and other foreign investors of the Company shall be subject to necessary approval of the Reserve Bank of India under Foreign Exchange Management Act, 1999 (FEMA) as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Committee of Directors (Stakeholders' Relationship Committee) be and is hereby authorized to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment and distribution of the New Equity Shares."

By Order of the Board  
For **JBM AUTO LIMITED**

Sd/-  
**(VIVEK GUPTA)**  
Chief Financial Officer  
& Company Secretary

Place: New Delhi  
Date: 14.08.2014

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 % (ten percent) of the total share capital of the Company.
3. The provisions of Section 149 of Companies Act, 2013 has come into force w.e.f. 1st April, 2014. In terms of the provisions of the said section read with Section 152(6) of the Act, the period of office of Independent Directors shall not be liable to determination by retirement by rotation. Therefore, the Directors, whose period of office is liable to determination by retirement by rotation, have been re-ascertained on the date of this notice. Accordingly, Mr. S. K. Arya and Mr. Nishant Arya, Directors of the Company will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. In terms of clause 49 of the listing agreement, the details of Directors, whose period of office is liable to determination by retirement by rotation at the ensuing annual general meeting are given under the heading "Additional Information as per clause 49 of the Listing Agreement with the Stock Exchanges.
4. The Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.
5. Members are requested to bring their copy of Annual Report to the meeting.
6. Members / Proxies should bring the attendance slip for attending the meeting and should be handed over at the entrance of meeting place. In case of joint holders attending the meeting, only such joint holder whose name is higher in the order of names will be entitled to vote. The 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.
7. Pursuant to provisions of Section 72 of the Companies Act, 2013, the shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with M/s MCS Ltd., the Registrar and Share Transfer Agent. In respect of shares held in electronic / dematerialized form, the nomination form may be filed with the respective Depository Participant.
8. Members are requested to write their client ID and DP ID number or folio number, whichever is applicable in attendance slip for attending the meeting.
9. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturday between 11:00 a.m. and 1:00 p.m. up to the date of Annual General Meeting.
10. The Company has notified closure of Register of Members and Share Transfer book on Saturday, 6th September, 2014 for the purpose of Annual General Meeting.
11. Members holding shares in identical order of names in more than one folio are requested to write to the Company or its Registrar and Share Transfer Agent and send their share certificates to enable consolidation of their holdings into one folio.
12. Members holding shares in dematerialized form are requested to intimate all the changes pertaining to their detail of bank account, power of attorney, change of address / name etc. to their depository participants only and not to the Company's Registrar and Share Transfer Agents to provide efficient and better services to the members.
13. Under Section 205C 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 the Investor Education and Protection Fund (IEPF) set up by the Government of India. Any member who has not claimed the dividend in respect of the financial year ended 31st March, 2007 or any year thereafter is requested to approach the Company / Registrar and Share Transfer Agent of the Company for claiming the same.

It may please be noted that the unpaid / unclaimed dividend for the financial year ended 31st March, 2007 is due for transfer to the Investor Education and Protection Fund (IEPF) on 19th October, 2014.

The members may please note that 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 due for payment.

14. The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by allowing paperless compliance by the Companies and as per Rule 18 of the Companies (Management and Administration) Rule, 2014 allowed Companies to send any notice / document (including Annual Report) to its members via e-mail. To support this green initiative of the Government in letter and spirit, the Company has taken an initiative to collect e-mail addresses of all its members.

Members holding shares in physical form are requested to provide/ update their e-mail addresses to MCS Ltd. (Registrar and Share Transfer Agent). Members holding shares in dematerialized form may kindly update their e-mail address with their respective Depository Participant (DP's).

15. Voting through electronic means

- I. In compliance of the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members, the facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open e-mail and open PDF file viz; "JBMA e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iii) Click on "Shareholder – Login"
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of JBM Auto Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [dshukla.fcs1@gmail.com](mailto:dshukla.fcs1@gmail.com) or [evoting@jbm.co.in](mailto:evoting@jbm.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is being sent separately in the format given below:

EVEN (E- Voting Event Number)	USER ID	PASSWORD/PIN
-------------------------------	---------	--------------
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://www.evoting.nsdl.com> or contact NSDL at the Telephone No. 022-24994600.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail ID in the user profile details of the folio, which may be used for sending future communication(s).
- V. The e-voting period commences on 18th September, 2014 at 9:00 a.m. and ends on 20th September, 2014 at 6:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the shareholder casts the vote on a resolution, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date mentioned above.
- VII. Mr. Dhananjay Shukla, Company Secretary (FCS 5886) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- VIII. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
16. The members may address their correspondence either to the Company at its registered office or MCS Ltd., the Registrar and Share Transfer Agent. Please quote your folio number, email address, telephone & fax number (if any) for prompt reply.
17. The Company has not attached the annual accounts of its Subsidiary Companies in terms of Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA). 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 6 TO 15 OF THE ACCOMPANYING NOTICE ARE AS UNDER:**

**ITEM NO. 6**

The Board of Directors of the Company in its meeting held on 30th May, 2014 has re-appointed Mr. H. R. Saini as a Whole Time Director of the Company for the further period of one year w.e.f. 7th June, 2014 on the terms and conditions as approved by the Nomination & Remuneration Committee, subject to approval of members in the general meeting. The Nomination & Remuneration Committee has also approved the terms and conditions of the re-appointment of Mr. H. R. Saini.

Mr. H. R. Saini is Graduate in Mechanical Engineering with specialized training abroad in tool engineering. He has over 47 years of experience in the engineering industry and held various senior positions in various companies. He is looking after business development, marketing and tool room activities of the Company. He is also Director of JBM International 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 of the provisions of Section 197 and 203 and other applicable provisions of the Companies Act, 2013, the re-appointment of Mr. H. R. Saini as Whole Time Director of the Company on the terms and conditions as mentioned in Item No. 6 of the accompanying notice is being placed for your approval by way of a 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 of Section 190 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution except Mr. H. R. Saini himself.

**ITEM NO. 7**

Mr. Ashok Kumar Agarwal is the Chairman and Promoter of Globe Capital Market Limited, one of the largest financial services company in India and it has overseas subsidiaries in Dubai. He is a Fellow member of Institute of Chartered Accountants of India and has a vast experience of more than 31 Years (8 years in the field of practicing chartered accountant & 23 years in the field of financial services). He was elected as "Youngest ever President" of The Delhi Stock Exchange Association Ltd. (DSE) in the year 1991 and was also re-elected in the year 1994 & 1999.

During 1994 -1995, Mr. Agarwal was a member of the Committee on Capital Market of ICAI, PHDCCI and FICCI.

He was elected as Chairman of Federation of Indian Stock Exchanges (representing 20 Stock Exchanges in India) in the year 1999.

Mr. Agarwal has received the following awards:

- "National Citizenship Award -1993" by Rev. Mother Teresa for outstanding contribution in the development of Indian Capital Market;
- "Vyapar Shree Award -2000" from DSE for outstanding contribution in the growth of business of the Exchange; and
- Special Award -2000 from NIRC - ICAI for exemplary contribution and services rendered to the cause of profession especially in the Capital Market.

Mr. Ashok Kumar Agarwal is the Chairman of the Audit Committee and the Member of Nomination & Remuneration Committee and Stakeholders Relationship Committee of JBM Auto Limited. He is also a Director of Globe Fincap Ltd.

Mr. Ashok Kumar Agarwal has been an Independent Director on the Board of the Company since the year 2000. With the enactment of the Companies Act, 2013 (the "Act") it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of Directors are Independent Directors.

In the opinion of the Board, Mr. Ashok Kumar Agarwal fulfills the conditions for appointment as Independent Director as specified in the Act, the Rules made there under and the Listing Agreement. He is also independent of the management of the Company.

The Board considers that his continued association would be of immense beneficial to the Company and it is desirable to continue to avail the services of Mr. Ashok Kumar Agarwal as an Independent Director.

Accordingly, the Board recommends the resolution set out at Item No. 7 of the accompanying notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution except Mr. Ashok Kumar Agarwal himself.

#### **ITEM NO. 8**

Mr. Mahesh Kumar Aggarwal has done Mechanical Engineering from IIT Madras in 1966 followed by postgraduate diploma in Management. He is a technocrat & professional consultant and possesses over 49 years of wide experience in the Industry. He has got extensive Industrial training in Germany and Japan. Besides, he has extensively travelled to Japan, China, Korea, UK, France, Australia, USA, Canada and many other countries. During his career from 1966 to 2000, he acquired wide Industrial Management & Techno Commercial experience while working with BHEL and Maruti Suzuki India Ltd. Mr. Aggarwal is member of the Board of the several other Companies viz. JBM Auto System Pvt. Ltd., Metos Investment Pvt. Ltd., Pragmac Sources and Services Pvt. Ltd. and Oriental Ecotech Services Pvt. Ltd.

Mr. Mahesh Kumar Aggarwal has been an Independent Director on the Board of the Company since the year 2002. With the enactment of the Companies Act, 2013 (the "Act") it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of Directors are Independent Directors.

In the opinion of the Board, Mr. Mahesh Kumar Aggarwal fulfills the conditions for appointment as Independent Directors as specified in the Act, the Rules made there under and the Listing Agreement. He is also independent of the management of the Company.

The Board of Directors of the Company is of opinion that Mr. Mahesh Kumar Aggarwal fulfills the conditions specified in the Act and the Rules made there under and is eligible to be appointed as an Independent Director pursuant to the provisions of section 149 of the Act. He is also independent of the management of the Company.

The Board considers that his continued association would be of immense beneficial to the Company and it is desirable to continue to avail the services of Mr. Mahesh Kumar Aggarwal as an Independent Director.

Accordingly, the Board recommends the resolution set out at Item No. 8 of the accompanying notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution except Mr. Mahesh Kumar Aggarwal himself.

#### **ITEM NO. 9**

As per provisions of Section 149(1) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and amended Clause 49 of the Listing Agreement with the Stock Exchanges, the Company should have at least one Woman Director.

Keeping in view the above legal requirement, the Board of Directors appointed Mrs. Vimal Vasisht as an Additional Director of the Company w.e.f. 21st July, 2014 by resolution passed by circulation, who shall hold office up to the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act, 2013.

The Company has received a notice in writing from a member along with a deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Vimal Vasisht for the office of Director in the Company. A copy of notice is available for inspection by the members at the registered office of the Company.

A brief resume of Mrs. Vimal Vasisht is given hereunder:

Mrs. Vimal Vasisht, IRS retired as the Chief Commissioner (Income Tax). She has over 35 years of rich experience in Indian Revenue Services. During her service period, she handled Investigation of Accounts, Audits, Inspections, Appeals and Administrations, etc. Mrs. Vasisht is still engaged in active freelance work related to taxation and rendering advices on complicated taxation issues.

The Board of Directors is of opinion that her association would be in the best interest of the Company and hence recommend the resolution set out at Item No. 9 of the accompanying notice for your approval.



None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution except Mrs. Vimal Vasisht herself.

#### **ITEM NO. 10**

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Jitender Navneet & Company, Cost Accountants to conduct the audit of cost records of the Company for the financial year 2014-15.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.2,00,000/- (Rupees Two Lacs only) to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is being sought by passing of an Ordinary Resolution as set out at Item No. 10 of the accompanying notice for ratification of remuneration payable to the Cost Auditors for the financial year 2014-15.

The Board of Directors of the Company recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

#### **ITEM NO. 11**

The Shareholders of the Company are aware that the equity shares of the Company are listed on Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and the shares are traded on these Stock Exchanges.

In order to improve the liquidity of the Company's Shares at the Stock Exchanges and to make it affordable to the small investors, the Board of Directors of the Company at their meeting held on 14th August, 2014 considered it desirable to sub-divide the face value of the Equity Shares of the Company.

The Shareholders may please note that the face value of the existing Equity Shares of the Company is Rs.10/- (Rupees Ten) per share and consequent upon the sub-division, it is being divided into 2 (Two) equity shares of Rs.5/- (Rupees Five) each.

As per the provisions of Section 61 of the Companies Act, 2013, approval of the Shareholders is required for sub-division of equity shares by way of an Ordinary Resolution.

The Board of Directors of the Company recommend the resolution set out at Item No.11 of the accompanying notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution, except to the extent of shareholding in the Company.

#### **ITEM NOS. 12 & 13**

Presently the Company has an authorized Share Capital of Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each and 1,00,00,000 (One Crore) preference shares of Rs.10/- (Rupees Ten) each.

In order to raise funds and issue of Bonus Shares, it is required to increase the Authorized Share Capital of the Company from existing Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) to Rs.50,00,00,000/- (Rupees Fifty Crore Only). The provisions of Section 61 of the Companies Act, 2013 permits to increase the authorized share capital of the Company, provided the same is approved by the shareholders by way of an Ordinary Resolution.

The alteration of Clause V of the Memorandum of Association of the Company is of consequential in nature due to increase in the Authorized Share Capital of the Company. Pursuant to the provisions of Section 13 of the Companies Act, 2013, the Memorandum of Association can be altered with the approval of the Shareholders of the Company by way of a Special Resolution.

The Board of Directors of the Company recommend the resolutions set out at item nos. 12 & 13 of the accompanying notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolutions.

## **ITEM NO. 14**

In order to cater the funds requirement of the Company, the Board of Directors have decided to explore the possibility of issue of new shares by way of public issue/ right issue/ private placement/ preference shares / convertible/ non-convertible securities (fully or partly convertible into equity shares) or other securities including premium, if any, on the terms and conditions as to issue pricing etc. as may be decided by the Board in compliance of the SEBI Guidelines, as may be applicable.

Section 62(1) (c) of the Companies Act, 2013 and Listing Agreement entered into with the Stock Exchanges, provides, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further share shall be offered to the persons, who on the date of offer are holders of the equity shares of the Company, in proportion to the Capital paid up on those shares as on that date unless the members decide otherwise. The special resolution seeking consent and authorization of the members to the Board of Directors to offer, issue and allot the securities, in consultation with the lead manager, legal advisors and other intermediaries to any other persons whether they are members of the Company or not.

The Board of Directors, accordingly, recommend the Special Resolution set out at Item No.14 of the accompanying notice for your approval.

None of the Directors, Key Managerial personnel and their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

## **ITEM NO. 15**

As per the provisions of Article 133 & 134 of the Articles of Association, the Company may resolve to capitalize any undivided profits of the Company standing to the credit of the Free Reserves/ Securities Premium Account / Capital Redemption Reserve Account of the Company available for this purpose. The Board of Directors at their meeting held on 14th August, 2014 have recommended that a part of the amount standing to the credit of Securities Premium Account / Free Reserves be applied for issue of fully paid-up bonus shares to the members of the Company in the proportion of 1 (One) new equity share for every 1 (One) existing equity share held as on the "Record Date". These bonus shares will be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing shares but shall not be entitled to final dividend to be declared for the financial year ended 31st March, 2014. The proposed issue of fully paid new equity shares as bonus shares to the extent that they relate to non-resident members, Foreign Institutional Investors (FIIs) and other foreign investors of the Company shall be subject to the approval of the Reserve Bank of India under Foreign Exchange Management Act, if any. No letters of allotment shall be issued with respect to additional equity shares but the dispatch of share certificates to shareholders who hold their existing equity shares in physical form will be completed within the prescribed period and that the bonus shares will be credited to the demat account of the allottees who are holding the existing equity shares in electronic form.

The Board recommends the resolution set forth in Item No. 15 of the accompanying Notice for approval of the members.

None of the Directors, Key Managerial personnel and their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

### **Additional Information as per Clause 49 of the Listing Agreement with the Stock Exchanges**

#### **A brief resume of Directors recommended for re-appointment at the Annual General Meeting are as under:**

##### **Mr. S. K. Arya:**

Mr. S. K. Arya (aged about 56 years) is Science Graduate from Bombay University. After finishing his education, he initially joined his family business of textiles. Thereafter in the year 1983, he started his journey by setting up a new venture - JBM Industries Ltd. (formerly 'Gurera Gas Cylinders Ltd.') as his first entrepreneurial venture, which is one of the leading suppliers of Gas Cylinders to Oil Companies in India. He has vast experience of more than 30 years in Automobile and Engineering Industry.

Mr. S. K. Arya is providing a phenomenal leadership to the organization because of which the Company is still booming despite of slowdown in the automobile industry. With his able guidance, the Company has achieved various milestones in terms of revenue and commitments towards the society at large.

Mr. S. K. Arya is a member of CII - Northern Regional Council and a member of Executive Committee of ACMA. He has also held Chairmanship of SME Sub-Committee of CII -Northern Region, CII-Haryana State Council in the past and was a member of PHDCCI Management Committee, Co-Chairman of Haryana Committee of PHDCCI and Chairman of Sheet Metal and Chassis parts panel of ACMA.

Mr. S. K. Arya has been awarded with various awards for his immense contribution to the Automotive and Engineering Industry viz. National Unity Award in 1991, Gem of India Award in 1992, Udyog Ratan Award in 1993, Best Entrepreneur for the year Award in 1994, FIE Foundation Award in 2001 for his tremendous contribution to the engineering Industry, Udyog Ratan Award and Haryana Ratan Award in 2005 to name a few.

Being a responsible corporate citizen, Mr. Arya has contributed extensively towards CSR as well. He has been instrumental in putting together initiatives such as Neel Foundation - an effort to assist, and support the underprivileged, that has been undertaking activities on upliftment of women, girl child education, village upliftment, etc. Vichaar - a social awakening entity that has been creating and distributing films on various national and social issues. Many of these films are being used extensively in schools to instill in students a sense of patriotism and responsible citizenship.

Mr. S. K. Arya is holding the position of the Chairman & Managing Director of Jay Bharat Maruti Ltd. Besides, he is member of the Board of the various other Companies viz. JBM Industries Ltd., Neel Metal Products Ltd., JBM International Ltd., Gurera Industries Ltd., A to Z Securities Ltd., M. J. Casting Ltd., Vichaar Television Network Ltd., JBM Ogihara Automotive India Ltd., JBM Auto System Pvt. Ltd., Neel Auto Pvt. Ltd., Neel Metal Fanalca Environment Management Pvt. Ltd. and JBM Cortubi Exhaust Systems Pvt. Ltd. He is also member of Audit Committee of M. J. Casting Ltd. and a member of Stakeholders Relationship Committee of Jay Bharat Maruti Ltd.

He is relative of Mr. Nishant Arya, Director of the Company and holds 1,01,749 equity shares (0.99%) in the Company.

#### **Mr. Nishant Arya**

Mr. Nishant Arya (aged about 28 years) is MBA from the Bradford University, UK and Diploma Holder in Business Development & Strategy from London School of Economics. He is an Executive Council Member of CII -Young Indians and ACMA – Young Business Leaders Forum. He is also the Co-chairman of ACMA's Sustainable Technology Development Committee (STDC), India. He is also member on the Board of various other Companies viz. Jay Bharat Maruti Ltd., Neel Metal Products Ltd., JBM Ogihara Automotive India Ltd., Neel Metal Fanalca Environment Management Pvt. Ltd., JBM Motors Ltd., JBM Cadmium Pvt. Ltd., Neel Auto Pvt. Ltd., JBM Kanemitsu Pulleys Pvt. Ltd., JBM Projects & Infrastructure Pvt. Ltd., JBM Solar Pvt. Ltd., JBM Cortubi Exhaust Systems Pvt. Ltd.

With a strong drive to achieve more, Nishant Arya is further expanding the businesses by actively looking at Diversification, International Business and New Projects. He has been instrumental in planning various technical collaborations and joint ventures with foreign companies including buyouts.

Mr. Nishant Arya is to be solely credited for the successful launch of the low floor City Bus - 'CITYLIFE' that is all set to redefine the dynamics of the public transportation domain in our country. The bus has first of its kinds innovative features that ensures enhanced comfort, safety and security for the commuters.

Mr. Nishant Arya's consistent focus on enhancing technology, enabling Innovation and developing people within the organization has been a key driver of growth for the organization.

He is relative of Mr. S. K. Arya, Chairman of the Company and holds 84,850 equity shares (0.83%) in the Company.

By Order of the Board  
For **JBM AUTO LIMITED**

Sd/-

**(VIVEK GUPTA)**  
Chief Financial Officer  
& Company Secretary

**Place: New Delhi**  
**Date: 14.08.2014**



**JBM AUTO LIMITED**

Registered Office: 601, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019.

CIN : L74899DL1996PLC083073

E-mail: corp@jbm.co.in; Website: www.jbm-group.com

Ph. 011-26427104 -06; Fax: 011-26427100

**ATTENDANCE SLIP**

I hereby record my presence at the 18th Annual General Meeting of the Company held on Wednesday the 24th September, 2014 at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No.2, Near A.P.S. Colony, Delhi Cantt.-110010 at 11:00 a.m.

Name of the Shareholder(s) \_\_\_\_\_ (In Block Letters)

Father's/Husband's Name \_\_\_\_\_ (In Block Letters)

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

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

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_

**Note:**

- Members/Proxies are requested to bring the duly filled in Attendance Slip to the 18th Annual General Meeting and to be handed over at the meeting.
- If you intend to appoint a proxy, please deposit duly filled in Proxy Form either at the Registered Office of the Company or at the office of its Registrar & Share Transfer Agent at least 48 hours before the meeting.



**JBM AUTO LIMITED**

Registered Office: 601, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019.

CIN : L74899DL1996PLC083073

E-mail: corp@jbm.co.in; Website: www.jbm-group.com

Ph. 011-26427104 -06; Fax: 011-26427100

**Form No. MGT - 11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Folio No/ Client Id: \_\_\_\_\_ DP ID \_\_\_\_\_

I/We, being the member (s) holding \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ .Address: \_\_\_\_\_

\_\_\_\_\_ E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ .Address: \_\_\_\_\_

\_\_\_\_\_ E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ .Address: \_\_\_\_\_

\_\_\_\_\_ E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ as my/our proxy to attend

and vote (on a poll) for me/us and on my/our behalf at the .18th.Annual General Meeting of the Company to be held on the **Wednesday, the 24th day of September, 2014 at 11:00 A.M.** at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A. P. S. Colony, Delhi Cantt., New Delhi - 110 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	RESOLUTIONS	OPTIONAL	
		For	Against
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss for the year ended on that date and the Report of the Directors and Auditors thereon		
2.	To declare dividend		
3.	To appoint a Director in place of Mr. S. K. Arya (DIN: 00004626), who retires by rotation and being eligible, offers himself for re-appointment		
4.	To appoint a Director in place of Mr. Nishant Arya (DIN: 00004954), who retires by rotation and being eligible, offers himself for re-appointment		
5.	To appoint Auditors and to fix their remuneration		
	<b>Special Business</b>		
6.	To re-appoint Mr. H. R. Saini (DIN: 00004665), as a Whole Time Director (to be designated as an "Executive Director") for a further period of one year		
7.	To appoint Mr. Ashok Kumar Agarwal (DIN: 00003988) as an Independent Director of the Company for Five consecutive years for a term up to 31st March, 2019		
8.	To appoint Mr. Mahesh Kumar Aggarwal (DIN: 00004982), as an Independent Director of the Company for Five consecutive years for a term up to 31st March, 2019		
9.	To appoint Mrs. Vimal Vasisht (DIN: 06928805), as an Independent Director of the Company for Five consecutive years for a term up to 23rd September, 2019		
10.	To ratify the remuneration of the Cost Auditors for the financial year 2014-15		
11.	To sub-divide the face value of equity shares		
12.	To increase the authorized share capital of the Company		
13.	To alter the capital clause of the Memorandum of Association of the Company		
14.	To issue securities		
15.	To issue Bonus Shares in the ratio of 1 : 1 i.e. One share for every One Equity Share held		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 18th Annual General Meeting of the Company.
3. Please complete all the details including details of Member(s) in the above box before submission.

Affix  
₹.1/-  
Revenue  
Stamp