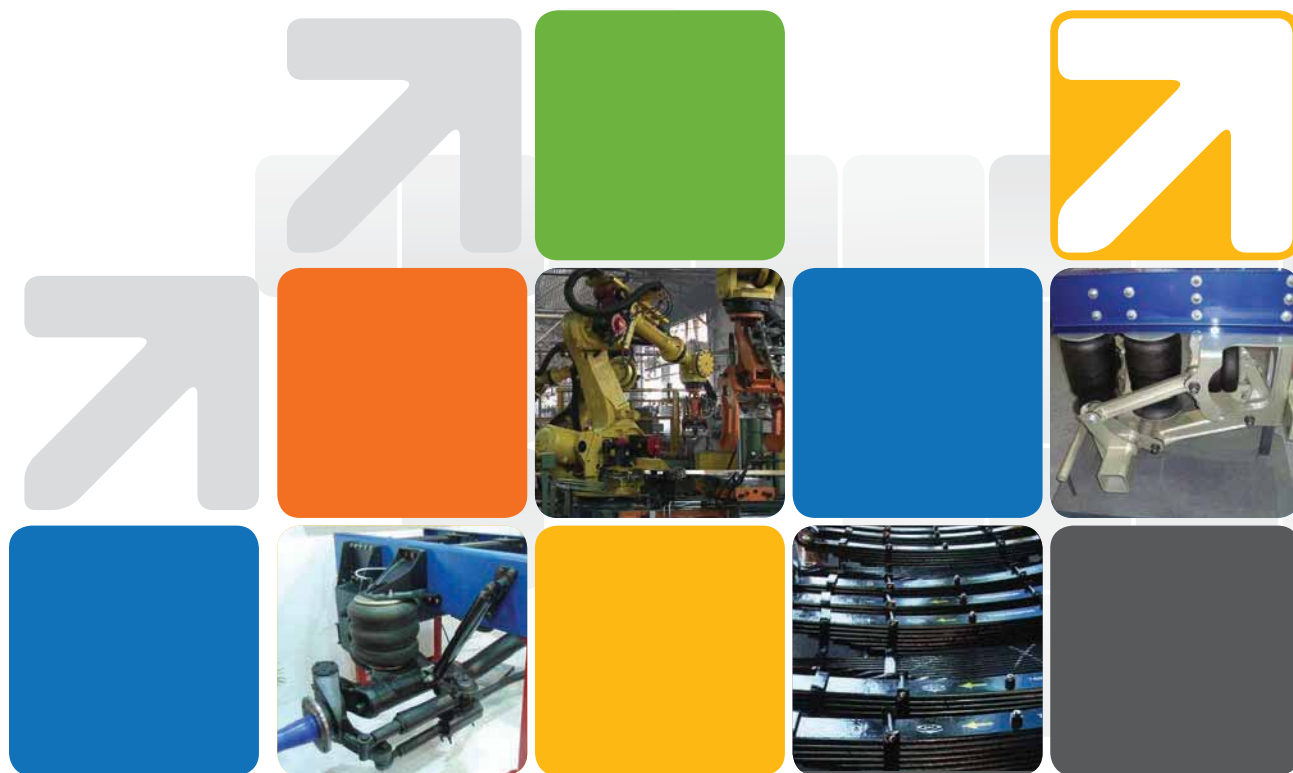




Jamna Auto Industries Limited



DRIVING
STRATEGIC GROWTH
through technology & innovation



Annual Report 2012-13

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JAMNA AUTO INDUSTRIES LIMITED

is India's largest, and the world's second-largest, manufacturer of tapered leaf springs and parabolic springs for automobiles.

Our vision is to become a global leader in Automobile Suspension Solutions. During the year we have diversified our range by adding Lift Axle and Air Suspension products.

ABOUT
US



Our strong relationship with customers allows us to anticipate their evolving needs and provide integrated solutions. While we remain focused on being the customer's supplier and partner of choice, we also remain focused on profitably growing our business, expanding our product offerings and markets served, strengthening our Balance-Sheet and positioning the Company for future growth in revenues and profitability.

We continue to leverage upon our strategically located multi-unit manufacturing and assembly facilities, our engineering and technological excellence and our relentless pursuit of efficiency and innovation. We remain highly flexible and responsive to change and continue to invest prudently to strengthen our competitive advantage and support our growth ambitions.

We are well positioned to capitalize on the emerging opportunities in the industry and will pursue growth strategies consistent with our commitment to create value on a sustainable basis.

CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. Bhupinder Singh Jauhar
Chairman

Mr. Randeep Singh Jauhar
CEO & Executive Director

Mr. Pradeep Singh Jauhar
COO & Executive Director

Mr. Hardeep Singh Gujral
Executive Director

Dr. Pierre Jean Everaert
Nominee - Clearwater Capital Partners
(Cyprus) Ltd

Mr. Karthik Athreya
(Alternate Director to Dr. Pierre Jean Everaert)

Mr. V. Subramanian
Nominee-IFCI Limited

Mr. Jainender Kumar Jain
Director

Mr. Chander Kailash Vohra
Director

Mr. Uma Kant Singhal
Director

Seth Ashok Kumar
Director

Mr. Shashi Bansal
Director

MANAGEMENT TEAM

Mr. Randeep Singh Jauhar
CEO & Executive Director

Mr. Pradeep Singh Jauhar
COO & Executive Director

Mr. Hardeep Singh Gujral
Executive Director

Mr. Kanwal Kishore Vij
President-Operations

Mr. Vivek Bhatia
Associate President (Finance & Legal) & CFO

Mr. Sunil Laroia
Vice President - International Business and
Head (R&D)

Mr. Madhukar Sharma
Global Head (After Market)





LEGAL ADVISORS

AZB & Partners
Lakshmikumaran & Sridharan

TECHNICAL ASSISTANCE

Ridewell Corporation, USA

BANKERS

State Bank of India
ICICI Bank Ltd
Kotak Mahindra Bank
Standard Chartered Bank
IndusInd Bank Ltd
Lakshmi Vilas Bank

AUDITORS

B S R & Co.
Chartered Accountants

SHARE REGISTRAR & TRANSFER AGENT (RTA)

Skyline Financial Services (P) Ltd
D - 153 A, First Floor, Okhla Industrial
Area, Phase-I, New Delhi-110020
Ph. 011-26812682, 26812683
Fax 011-26292681
Email: grievances@skylinerta.com

INVESTOR CELL

Mr. Praveen Lakhera
Company Secretary & Head-Legal
praveen@jaispring.com

CORPORATE OFFICE

2, Park Lane, Kishangarh, Vasant Kunj,
New Delhi-110070
Ph. 011-26893331, 26896960
Fax 011-26893180, 26893192

PLANTS

- i) Jai Springs Road, Industrial Area,
Yamuna Nagar-135001, Haryana
- ii) U - 27-29, Industrial Area,
Malanpur, District Bhind-477116,
M.P.
- iii) Plot no. 22-25, Sengundram
Village, Maraimalainagar Industrial
Complex, Singaperumal Koil Post,
District Kanchipuram-603204,
Tamil Nadu
- iv) 262-263, Village Karnidih,
Chandil, District Saraikella,
Kharswan-832401,
Jharkhand
- v) Gata no. 1490, Khajoor Gaon,
Chinhat-Deva Road, District
Barabanki-225003, U.P.
- vi) Thally Road, Kalugondapalli Post,
Hosur, District Krishnagiri-635114,
Tamil Nadu

UNDER SUBSIDIARY ENTITY

- vii) **JAI SUSPENSION SYSTEMS LLP**
Plot no. 50A, Sector-11, I.I.E., Pant
Nagar, District Udham Singh Nagar,
Uttarakhand

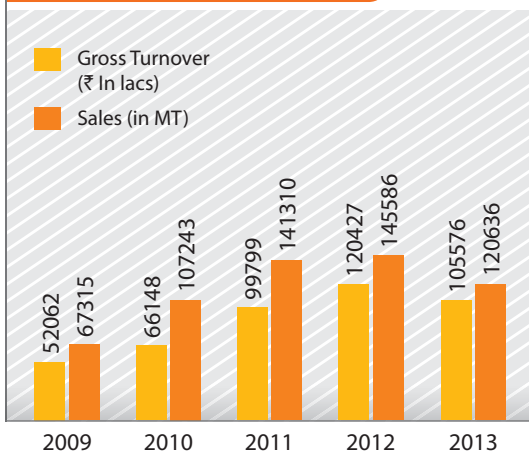
REGISTERED OFFICE

Jai Springs Road, Industrial Area,
Yamuna Nagar-135001, Haryana
Ph. 01732-251810/11/14

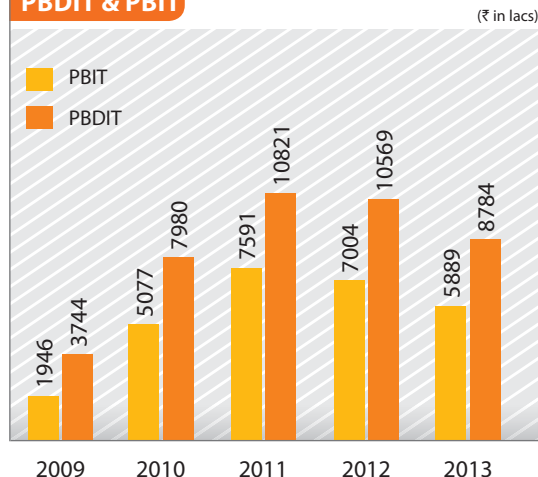
FINANCIAL HIGHLIGHTS



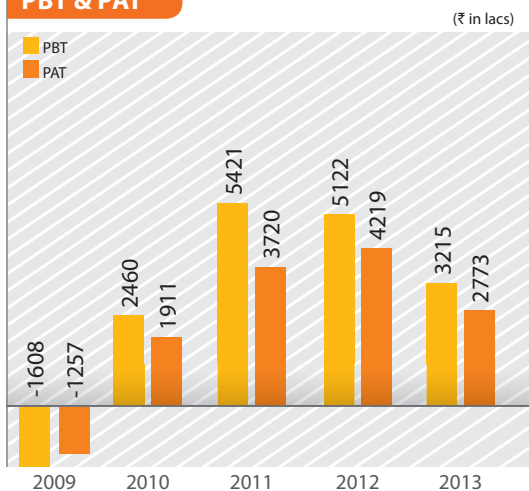
GROSS TURNOVER & SALES



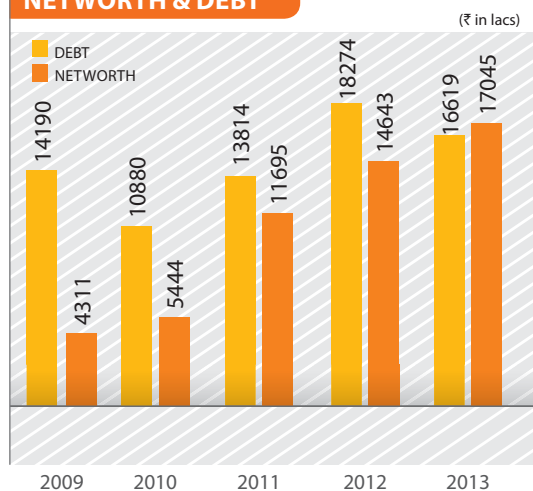
PBDIT & PBIT



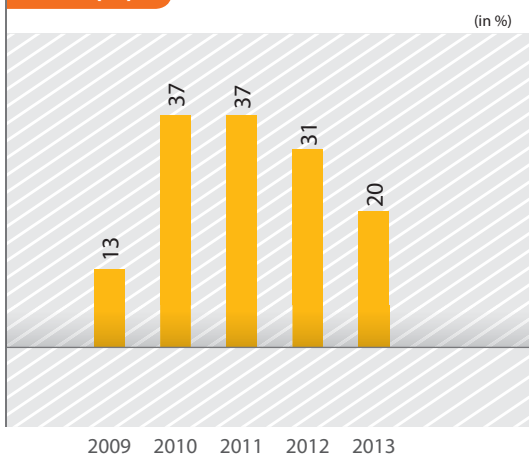
PBT & PAT



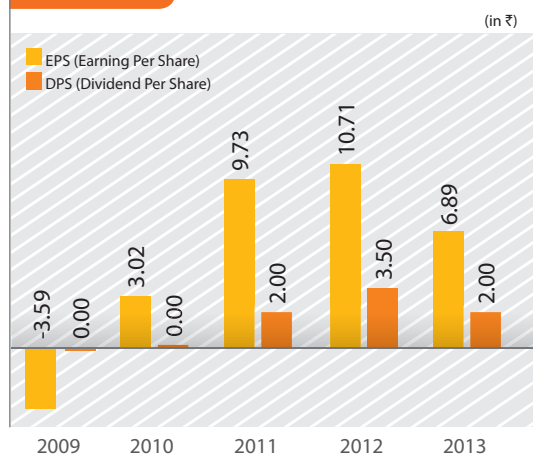
NETWORTH & DEBT



ROCE (%)



EPS & DPS



MILESTONES



**FY
2009**

1. Started Assembly unit at Uttarakhand (under subsidiary)
2. In house R&D centre set up at Malanpur

**FY
2010**

1. Tata Motors Ltd converted its two high selling models into parabolic springs
2. Entered into technical assistance agreement with Ridewell Corporation USA for Air Suspension and Lift Axle
3. Received the Best Vendor Gold Award from Ashok Leyland Ltd for 2009-2010
4. Received an award from Tata Motors Ltd in recognition of JAI's long and enduring relationship
5. Purchased land in Chennai for setting up facility for air suspension and lift axle

**FY
2011**

1. Promoters and Clearwater Capital Partners infused fresh equity, prepayment of term loans brought down debt
2. Shares of the Company listed in NSE
3. Started paying Dividend
4. Jamshedpur plant commenced manufacturing operations
5. Started Assembly unit at Lucknow
6. Filed patent application in India for Air Suspension
7. Supplies to UD Trucks Corporation, Japan (Volvo subsidiary), Mahindra Navistar Automotives Ltd and Ashok Leyland Nissan Vehicles Ltd started
8. Acquired land in Hosur for setting up facility for manufacturing of springs

**FY
2012**

1. Agreement to supply Lift Axle signed with Ashok Leyland Ltd.
2. Started developing springs for Bharat Benz
3. Purchased land in Pune for setting up facility for manufacturing of springs and additional land in Malanpur and Yamuna Nagar for expansion

**FY
2013**

1. Lift Axle and Air Suspension products launched
2. Received Silver Award from Ashok Leyland Ltd. for best in class performance in RAMP UP in development and supply of Lift Axles
3. Received Certificate of excellence award from TATA Motors Ltd. for supply of quality product and approach towards continual improvement in quality
4. Supplies to Bharat Benz and Renault Nisan commenced
5. Certificate of Appreciation - Best in Class Performance in Quality from Ashok Leyland Ltd. for the year 2012-13
6. Production commenced at Hosur plant
7. Capacity expansion at Malanpur completed

LETTER TO SHAREHOLDERS



Dear Shareholders,

To de-risk the company from OE concentration we aimed at developing new markets. As a result we increased our foot print in After Market India/Export with healthy growth of 44%. We aim to execute After Market orders within a period of 24 hours.



The year 2012-13 was a difficult year for the automobile industry. Weak macro factors and slow industrial growth badly affected Commercial Vehicles (CV) demand which eventually resulted in negative growth for the industry as compared to previous year. Segment wise, Light Commercial Vehicles (LCV) segment has maintained growth momentum with an increase of 14%, whereas Medium & Heavy Commercial Vehicles (M&HCV) segment has shrunk by a sharp 23% on year on year basis in 2012-13. As a result the total springs demand declined by 24% even though the LCV went up.

In spite of persisting slowdown, the Company gave a committed performance during the year under review, continued its dominance in the domestic market in automotive tapered leaf springs and parabolic springs and further expanded the product portfolio by introducing lift axles and air suspension.

Your Company is a major player in CV industry having significant interest in M&HCV segment. Unlike past, wherein we were adversely affected by slow down in the Industry and in M&HCV segment perse, the loss due to slow down was partially compensated as a result of our OE de-concentration efforts during the year. We implemented our de-risking plans to tap new markets, expand product portfolio and locations. We took various initiatives to improve operational efficiencies and cost-cutting across all the plants to maintain the EBITDA level. The de-risking plans put in place have clearly showed results and substantially reduced the break even level of the Company. As compared to the recession during the year 2008-2009 when these plans were not in place, the Company had lost sale of 4% but incurred a net loss whereas during the FY 2012-2013 the Company lost sale of 12% and earned profit after tax of ₹28 crore. During 2012-13, our consolidated sales were ₹1,056 crore as compared to consolidated sales of

In order to achieve higher sales in After Market India/Export, three more hubs at Chennai, Nagpur and Jamshedpur have been established during the year in addition to the existing hub at Pant Nagar



₹1,204 crore in previous year. We have continued to generate cash profits and have recommended dividend of ₹2 per share. We stand committed to our financial and operational objectives as stated in our last year annual report but they might get delayed by a year in view of the slowdown.

The domestic CV industry is facing pressure from number of factors and overall demand for CVs is expected to be subdued in the current year as well. The overall near term outlook of the industry appears to be weak. In the medium term, demand for CVs will be mainly attributable to interest rates and investments in infrastructure. We may also see competition growing up in the tapered leaf and parabolic spring business in the coming years with entry of new tapered leaf springs manufacturers.

To de-risk the Company from OE concentration we aimed at developing new markets. As a result we increased our foot print in After Market India/Export with healthy growth of 44%. We aim to execute After Market orders within a period of 24 hours. We are focusing on creating logistic strengths to achieve this objective and opened three more hubs at Chennai, Nagpur and Jamshedpur during the year in addition to the existing hub at Pant Nagar. The new hubs have improved the Company's ability to reach customers across the country. The expansion plan at Malanpur (Madhya Pradesh) is complete which will complement growth in After Market India/Export, improve profitability and better sales mix. We are aiming at 33% turnover from the After Market India/Export, OE export and new products.

We are aiming to bring down the share of tapered leaf spring to 65% of sales. In line with that, we ramped up sales of value-added parabolic springs by 10% during 2012-13.

We have made significant progress in implementing our strategy

to expand product range and move up the value-chain. During 2012-13, the Company launched lift axles and air-suspension products. Supply of lift axles to Ashok Leyland Ltd has started and the Company bagged Silver award for best in class performance in RAMP UP in development and producing lift axles. Supply of air suspension to SML Isuzu Limited for low floor bus has also begun.

Jamshedpur plant of your Company received Certificate of Excellence Award from Tata Motors Limited for supply of quality product, and approach towards continual improvement in quality. Ashok Leyland Ltd. also awarded your Company Certificate of Appreciation - Best in Class Performance in Quality for the year 2012-13.

Looking ahead, we will continue to pursue de-risking plans and strive to reduce our break even point. We are confident of achieving our business and financial objectives. We have engaged high performing professionals with established track record in the field of manufacturing, operations, quality, finance, accounts, IT, human resource and after market at senior leadership levels to report and advice the CEO & COO on these matters. Potential Leaders Development Program has been launched to motivate high performing potential employees and to encourage them on taking next level leadership role.

Before I end, I would like to thank our employees who have made a significant contribution to our success. I would also like to thank our customers, collaborators, Bankers, FIs, suppliers, business partners and shareholders for their continued support and confidence in our Company.

Yours sincerely

Bhupinder Singh Jauhar
Chairman

OUR MANUFACTURING & ASSEMBLY FACILITIES

Seven manufacturing plants at Yamuna Nagar, Malanpur, Chennai, Jamshedpur, Lucknow, Hosur and Pant Nagar (under subsidiary entity).

New manufacturing facility for light and heavy tapered leaf and parabolic springs will come up in Pune Land.

Capacity expansion at Malanpur completed.

Lift axle and Air Suspension assembly has been started at the existing Chennai Unit of the company.



Jamshedpur Plant



Malanpur Plant



EXPANDING PRODUCT PORTFOLIO



- ▶ The Company has following product range:

Tapered Leaf Spring
Light Parabolic Spring
Heavy Parabolic Spring
Air Suspension
Lift Axle

- ▶ The Company has started supplying Lift Axles to Ashok Leyland Ltd. and received Silver Award for best in class performance for Ramp up in development and production.

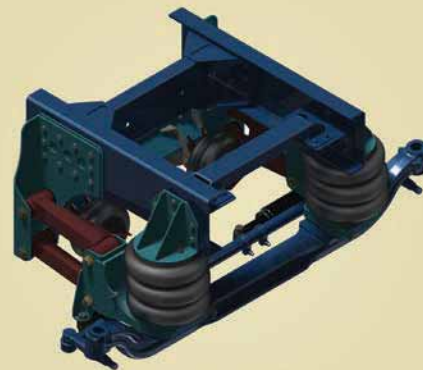
- ▶ The Company has started supplying Air Suspensions to SML Isuzu Limited.

- ▶ Springs constitute 85% of the total revenue. Long term objective is to bring down share of Tapered Leaf Springs to 65% of the total revenue by adding new products and change in product mix.

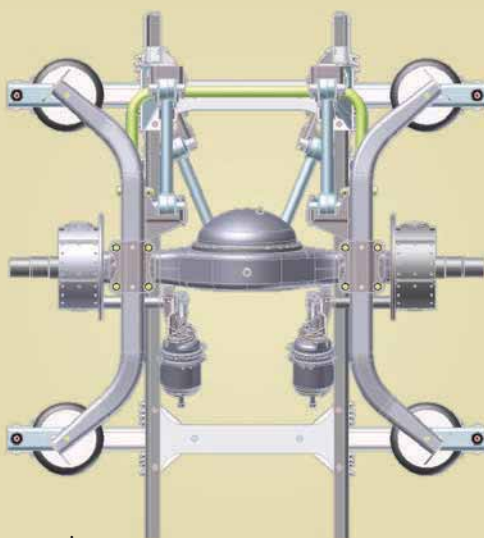
Tapered Leaf Spring



Lift Axle



Air Suspension

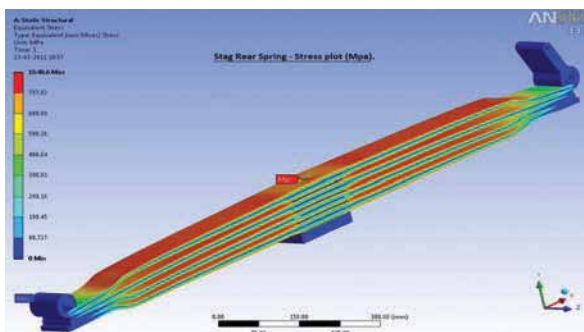


Parabolic Spring



TECHNOLOGY

- ▶ Jamna Auto Industries Ltd. is the only company in India which provides complete suspension solutions to customers. We have the capability to design Multi, Parabolic Leaf Springs, Lift Axles and Air Suspension for all automobile applications.
- ▶ We focus on breakthrough technology both on the product and process side. The Company is the owner of copyrights for more than 60 designs of Tapered Leaf and Parabolic Springs and has filed a patent application for the Indian patent for Air Suspension.
- ▶ We have entered into a technical collaboration with Ridewell Corporation, USA for Air Suspension and Lift Axles.
- ▶ We were the first to start a Tapered Leaf Spring design centre in India and our indigenous R&D Centre is recognized by the DSIR, India.
- ▶ We are in the process of setting up a state-of-art suspension test and R&D centre at Pune with advance software and hardware. New R&D centre will focus on product & process research.
- ▶ We were the first to introduce Parabolic Springs in India under technical collaboration with NHK Spring Co. Ltd., Japan.



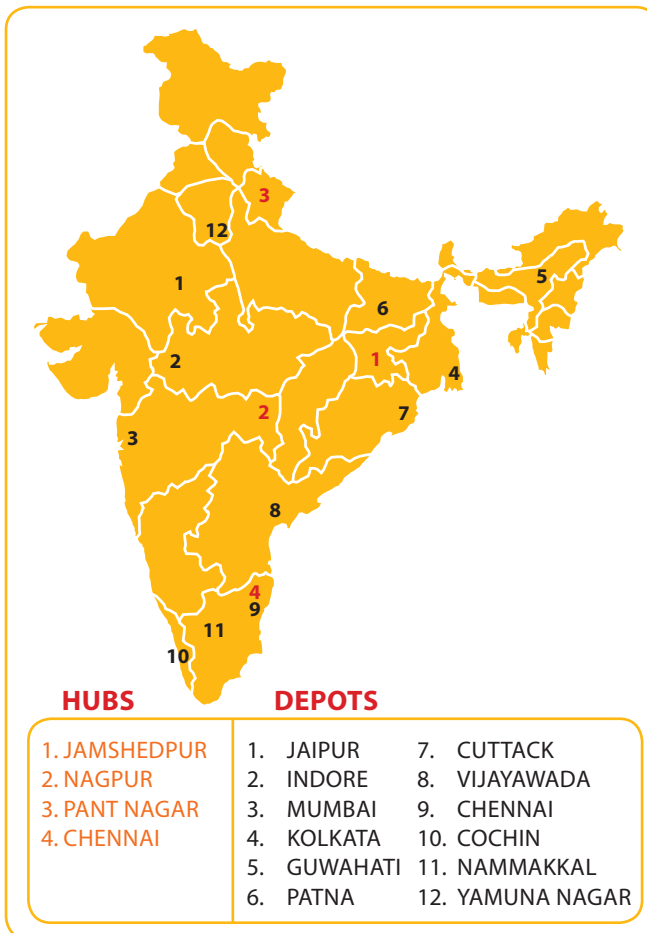


OUR GROWING PRESENCE IN AFTER MARKET

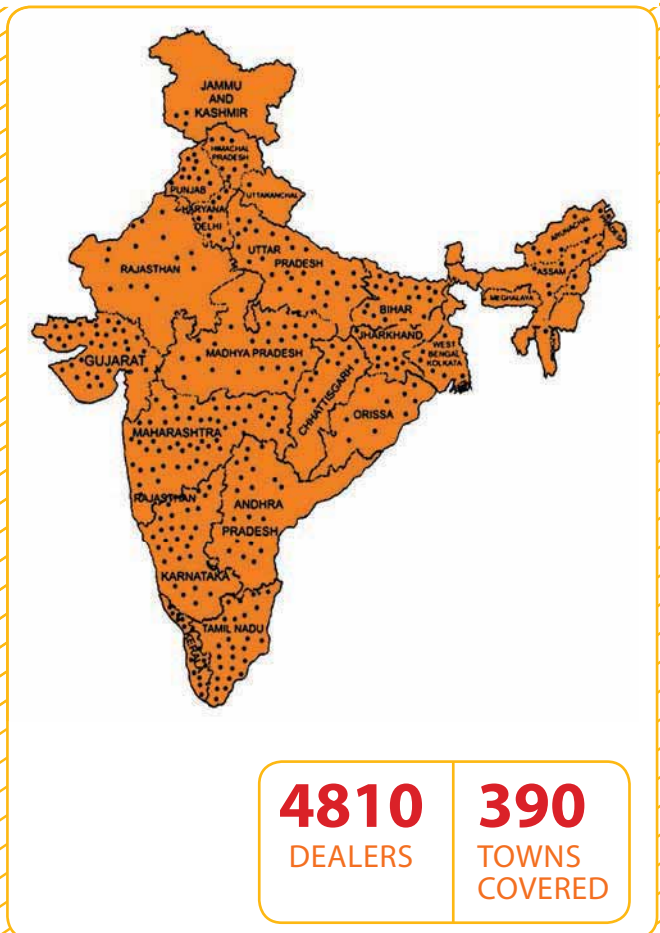
- ▶ As a part of de-risking strategy Company has further increased its penetration in After Market India/Export segment.
- ▶ After Market India/Export sales grew by 44% in 2012-13.
- ▶ The Company's share in domestic After Market grew from 8% to 11% in 2012-13.
- ▶ 16% of the Company's sale comes from After Market India/Export.
- ▶ Domestic After Market operations are being looked after by Jai Suspension Systems LLP where the Company is the majority partner.
- ▶ JSSLLP has expanded its presence across 390 towns in the country with the product range of over 4200 part numbers.
- ▶ JSSLLP has established a wide distribution network.
- ▶ JAI aims to execute After Market orders within a period of 24 hours. To achieve this JAI has planned to open 4 major regional Hubs apart from state wise warehouses so that products can be made available on time. Four hubs have been opened at Jamshedpur, Nagpur, Pant Nagar and Chennai.

HUBS	4
DEPOTS & WAREHOUSES	12
PRIMARY DEALERS	1310
SECONDARY DEALERS	3500

DEPOT NETWORK



DEALER NETWORK



QUESTION & ANSWER



Mr. Randeep Jauhar, CEO
Jamna Auto Industries Limited

Answers questions relating to the performance and prospects of the Company.

Q. How do you look back on Jamna Auto's financial performance in 2012-13?

- A. Weak macro economic factors and persisting slow industrial growth, lower infrastructure spending badly affected CV demand during the year 2012-13. Being a major player in CV industry having significant interest in M&HCV segment, the year 2012-13 was a challenging year for Jamna Auto Industries Ltd.

In the past we were prone to adverse affect of slow down in the Industry and in M&HCV segment per-se, as a result during the recession of 2008-2009, the Company incurred

loss on a meager decline of 4% in the sales. Unlike in the past, in 2012-2013 we implemented de-risking plans to tap new markets, expand product portfolio and locations and in spite of persisting slowdown, the Company gave a committed performance. As compared to the recession of 2008-2009, in the year 2012-2013 the Company has generated cash profits, earned profit after tax of ₹28 crore even though it witnessed a steep decline of 12% in sales. The Company has also declared dividend of ₹2 per share.

The Company continued its dominance in the domestic market and further expanded the product portfolio by introducing lift axle and air suspension.

In order to offset the inflationary cost, we took a number of initiatives including improvement of operational efficiencies and intense cost-cutting across all the plants resulting in maintaining the EBITDA margins of 9%. The change in mix has also resulted in protecting margins at the Company level. In addition, our long term borrowing has come down from ₹109 crore to ₹86 crore as on 31 March 2013.

Overall, I am satisfied with Jamna Auto's performance during the year.

Q. Could you update us on the capital expenditure during 2012-13? What is your plan for the current year?

- A. The expansion plan at Malanpur (Madhya Pradesh) is complete which will enable us to diversify the sales mix, improve profitability and facilitate growth in After Market India/Export. We continue to move up the value-chain by increasing sales of value-added parabolic springs by 10% during 2012-13.

In order to conserve cash, we have incurred need based capital expenditure of ₹39 crore during the FY 2012-13 (₹103 crore in FY 2011-12). The capital investments made during the year have only been to balance the existing equipments.

In view of the bleak future, we want to conserve capital and are conscious of capital expenditures. However, being the market leader and also technology leader, we will continue the need base regular capital expenditure to strengthen

our engineering, design and development capabilities by improving our technology and quality infrastructure.

Q. Please give details on After Market performance during 2012-13?

- A. Our After Market India/Export operations are looked after by our subsidiary entity, Jai Suspension Systems LLP. As explained above, we are actively pursuing our de-risking strategy by increasing our presence in After Market India/Export. We are aiming minimum 33% turnover from the After Market India, OE Export and new products. During the FY 2012-13, we have increased our share in the domestic After Market from 8% to 11% and our After Market India/Export sales grew by 44% during the year under review.

We are focusing on creating logistic strengths to achieve the objective to execute After Market orders within 24 hours. We are constantly streamlining our supply chain management network and opened three more hubs at Nagpur for West, Jamshedpur for East and Chennai for south during the year in addition to the existing hub at Pant Nagar for North. All the four hubs will store our entire range of products and feed the dealers and depots across the country. With all the four hubs in operation our reach to customers across the nation has improved manifold. We have become more responsive and flexible than any other player, our presence in all the regions has improved in the last year.

We have expanded our product portfolio to 4200 part numbers of all type of springs, from tapered leaf to parabolic finding application in all types of Commercial Vehicles and from Light Commercial Vehicles to Medium/Heavy Commercial Vehicles.

We are excited by our growth in this segment and hoping to improve further.

Q. What are the chances of competitor coming in tapered leaf and parabolic spring business in India?

- A. Yes, we may see competition in the tapered leaf and parabolic spring business in the coming years.

However, we are the only tapered leaf and parabolic spring manufacturer in India who has multi-location plants. Our seven plants spread across the country give us a distinctive logistic advantage making us competitive. As our plants are close to customers facilities we can deliver the products when the customers need.

We work closely with our customers. Our engineering & design strength and developmental capabilities make us a partner of choice with most of our customers. Our integrated multi-unit manufacturing across India, strong R&D, technological and quality infrastructure give us a competitive edge against any competitor.

We produce 410 types of springs to OE customers; each type of spring has a development time. It will not be easy for any competitor to develop and supply all these types of springs in a shorter period of time.

However, we are confident of achieving our financial and business objectives in spite of future competition.

Q. What are your plans for export?

- A. We were not focusing on OE export due to line balancing required with additional equipments. We have now completed our expansion and have put desired line balancing and equipments in place which make us export capable. We are considering to open offshore marketing office to tap the international markets.

Q. What is the financial outlook for Jamna Auto in current year?

- A. The current financial year will be challenging. The overall near term outlook of the industry appears to be weak and demand for CVs is expected to be subdued in the current year as well.

As stated earlier, during the year under review we have brought down our debt from ₹183 crore to ₹166 crore as on 31 March 2013. We are further planning to replace costly debt with lower cost debt. The benefit of interest cost reduction will be reflected in current year.



We have infused long term funds to the tune of ₹25.50 crore by way of liquidation of investment in NHK Spring India Pvt. Ltd.. The infusion of these long term funds coupled with improved cash generation due to favorable product mix will result in higher PBT, improved liquidity and current ratio.

During 2012-13, ICRA had downgraded the rating to 'D'. Subsequently debt servicing by the Company has been regularized by implementing strong internal controls and as a result ICRA has upgraded the ratings to BBB- & A3. We are aiming further improvement in ratings which will further reduce interest cost.

Overall, with improved sales mix, higher After Market India/ Export sales and value added parabolic spring sales, better margins and lower capital expenditure, we are confident of achieving higher cash generation during the current financial year.

Q. Looking ahead, what are your medium-term growth plans?

- A. We are conscious of achieving financial and business objectives through our de-risking plans. We have engaged professionals at senior leadership levels to achieve our future plans.

We aim to improve Company's investment grade by focusing on operational efficiencies and cost-cutting. Infusing of long term funds will strengthen the Company's financial structure and improve profitability. We are confident of achieving our financial objectives to fund net block out of net worth, earn ROCE of 33% and distribute 33% of profits as dividend.

We have aggressively increased our foot prints in the After Markets India/Export by streamlining our dealer and supply chain management network to reach customers across the nation. As stated earlier our efforts in After Market India/ Export showed healthy sales growth of 44% in the 2012-13. We are confident of achieving minimum 33% turnover from the After Market India/Export, OE exports and new products.

We have consolidated our market-position by expanding product portfolio and have introduced lift axle and air

suspension products. Supply of lift axles to Ashok Leyland Ltd has commenced and the Company bagged Silver Award for best in class performance in RAMP UP in development and producing lift axles. Supply of air suspension to SML Isuzu Limited for low floor bus has also begun. We remain focused in improving the sales-mix and increased sales of value-added parabolic springs by 10% during 2012-13. We are confident of bringing down the share of tapered leaf spring to 65% of sales from the current level of 85%.

We stand committed to our financial and operational objectives as stated in our last year annual report but they might get delayed by a year in view of the slowdown.



OUR CUSTOMERS



- ▶ Exclusively developed springs for Ashok Leyland Ltd.-BOSS entire range of vehicle.
- ▶ More than 50 new springs under development for customers like Ashok Leyland Ltd. - NIGB range, SML ISUZU-ISUZU 12T bus, Volvo Asia Truck .
- ▶ JAI is a market leader with 60% market share in the India OEM segment.
- ▶ JAI is also single source supplier to Daimler India Commercial Vehicles Pvt.Ltd.(subsidiary of Daimler AG), Ashok Leyland Ltd., Ashok Leyland Nissan Vehicles Ltd., Man Trucks India Pvt. Ltd., Volvo India, Renault Nissan and Ford Motors Ltd..
- ▶ JAI produces over 410 models of springs for OEMs and 4200 parts for After Market.

DOMESTIC CUSTOMERS



INTERNATIONAL CUSTOMERS



OUR QUALITY STANDARDS



Jamna Auto Industries Limited, in pursuit of its commitment to excel in CUSTOMERS' DELIGHT, has received

- **Certificate of Appreciation – Best in Class Performance in Quality from Ashok Leyland Ltd. for the year 2012-13**
- **Certificate of Excellence in Overall Quality Journey from Tata Motors Ltd.**
- **Silver Awards from Ashok Leyland Ltd. for best in Class Performance in RAMP-UP in development and Supply of Lift Axle**

We are further committed to improve Quality of all our products, service and operations in order to consistently meet the needs and expectations of our demanding customers.

We ensure quality assurance at all manufacturing facilities through

periodical, in-depth internal quality audits of all manufacturing processes through certified auditors.

Corporate quality department consolidates and reviews the customer quality indices to identify opportunities for improvement

Our dedicated Quality Assurance Team, in pursuit for ZERO TOLERANCE on process defects at Customer's end, has put fool proof manufacturing aids at potential defect generation processes. As a result we have achieved ZERO PPM defect for AL-NISSAN DOST Vehicle Supplies. Further the team is backed with state of the art PLC based manufacturing equipments which have built-in programmed fail safe process controls. Further, every assembly delivered to our Customers is 100% screened for fitment and aesthetics.



CORPORATE SOCIAL RESPONSIBILITIES



ENVIRONMENT SUSTAINABILITY

1. 2500 saplings were planted at all the plants and surrounding villages on the occasion of World Earth & Environment Day.
2. 25 tons of bio-degradable waste was recycled into vermicompost.
3. Water conservation at all plants by using water saving techniques like rain water harvesting and reuse of waste water.

EDUCATION

1. Scholarship to 250 school and college students from economically weak families to pursue excellence in the field of education, sports, Indian art & culture, NCC & NSS.
2. Initiated 2 more Jamna Fulwari, non-formal education centres, at Village Singhwadi (Malanpur) and Village Karandih (Jamshedpur) to provide extra educational support to students in their studies and to enroll drop out children into mainstream education.
3. Supported 4 Government schools in construction of drinking water tank, repair and whitewash of school buildings. Donated furniture and floor mats. Distributed sports kits and library books. Enhancing capacity building of parents and stakeholders.

SPORTS

1. Our 3 sports person won Gold Medals in Inter-College Artistic Gymnastic (Women) at National level.
2. Our 2 NCC Cadets from G.M.N. College, Ambala Cantt. represented in Republic Day Parade in Delhi.



COMMUNITY OUTREACH

1. Provided potable water to around 3200 community people in adopted villages at Delhi, Malanpur and Jamshedpur locations.
2. More than 1500 community people were screened and treated during 5 Health Check-up Camps. 13 of them were operated for cataract surgery, cleft palate & gynecological problems.
3. Sensitization of community people on water conservation, fuel & energy saving, tobacco hazards, female foeticide, girl child health and education etc.

TEN YEAR'S FINANCIAL SUMMARY

(₹ in Lakhs)

Operational results	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sales	105,576	120,427	99,799	66,148	52,062	54,119	32,372	21,043	20,954	12,258
Less Excise Duty	7,561	8,462	9,473	4,842	6,133	7,416	4,574	2,912	2,796	1,660
Net Sales	98,015	111,965	90,326	61,306	45,929	46,703	27,798	18,131	18,158	10,598
Other Income	234	197	174	268	797	341	227	54	108	30
Total Income	98,249	112,163	90,500	61,575	46,726	47,044	28,025	18,185	18,266	10,628
Operating Profit (PBDITA)	8,784	10,569	10,821	7,980	3,744	6,077	2,503	1,843	1,734	1,177
Interest	2,674	1,882	2,170	2,617	3,554	2,694	1,243	1,160	1,070	795
EBDT	6,110	8,687	8,651	5,363	190	3,383	1,260	683	664	382
Profit/(Loss) before Depreciation & Amortization	2,895	3,215	3,201	2,938	1,798	1,285	549	399	376	372
Profit Before Tax & other items	3,215	5,472	5,450	2,425	(1,608)	2,098	711	283	287	10
Exceptional Items - (Gain)/(Loss)	-	350	30	(36)	-	90	-	-	-	-
Profit Before Tax	3,215	5,122	5,421	2,460	(1,608)	2,008	711	283	287	10
Profit for Income Tax	10	8	431	10	46	43	32	15	1	1
Deferred Tax Credit	433	895	1,270	540	(397)	358	46	191	101	160
Profit After Tax	2,773	4,219	3,720	1,911	(1,257)	1,606	632	78	186	(151)
Cash Profit/ (Loss)	6,110	8,687	8,651	5,363	190	3,383	1,260	683	664	382
Financial indicators										
Net Fixed Assets	28,255	27,374	20,399	16,754	15,694	13,261	6,364	5,416	5,285	5,268
Investments	525	525	525	525	525	527	1,208	1,208	1,208	1,208
Current Assets	27,210	31,029	26,850	17,586	15,450	18,941	8,060	7,651	7,122	4,766
Non Current Assets	4,628	4,296	4,415	-	-	-	-	-	-	-
Equity Share Capital	3,950	3,940	3,928	3,654	3,653	3,387	1,771	876	876	876
Preference Share Capital	350	350	350	350	350	350	-	-	-	-
Reserves & Surplus	13,150	11,317	9,158	4,153	3,098	3,315	(261)	844	741	699
Net Worth	17,045	14,643	11,695	5,444	4,311	5,116	940	751	636	594
Long Term Funds	8,560	10,869	6,563	10,585	13,808	11,253	8,431	6,391	6,723	6,174
Medium/ Short Term Funds	8,059	7,405	7,251	295	382	3,624	57	950	824	834
Working Capital From Banks	-	-	-	1,002	1,928	2,699	1,497	1,263	1,845	1,021
Non Current Liabilities	1,925	1,390	1,374	-	-	-	-	-	-	-
Current Liabilities & Provisions	28,995	31,973	23,565	18,553	12,793	11,193	4,908	5,166	4,026	3,158
Ratio										
EBIDT to Sales %	9	9	12	13	8	13	9	10	10	11
EBIT to Sales %	6	7	8	8	4	10	7	7	6	7
PBT to Sales	3	5	6	4	(4)	4	3	2	2	0
EBDIT/Avg. Capital Employed	30	44	52	58	24	44	27	20	20	15
EBIT/Avg. Capital Employed (ROCE)	20	31	37	37	13	35	21	16	16	10
PAT/Net Worth	16	29	32	35	(29)	31	67	10	29	(25)
EPS (₹)	7	11	10	3	(4)	6	5	1	2	(2)
Dividend per share (₹)	2	4	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Worth Per Share (₹)	43	37	30	15	39	23	7	9	7	7

Note: Financials from 2008 onwards includes financials of subsidiary company/entity



MANAGEMENT DISCUSSION AND ANALYSIS

I. What is the Company's perception about the industry scenario? How has the Indian automobile sector, particularly commercial vehicles, performed in 2012-13?

The company is a major player in the Commercial Vehicle (CV) industry having significant interest in M&HCV segment. During 2009-10 and 2010-11 the domestic CV industry grew over 30%. Weak macro factors and slowing industrial growth has badly affected CV demand since second half of 2011-2012 onwards and in 2011-12 industry's growth rate of the domestic CV industry slowed down to 18%. In 2012-13 the industry had a negative growth rate as compared to high base of the last years. Segment wise there has been contrast growth relation in Light Commercial Vehicles (LCV) and Medium & Heavy Commercial Vehicles (M&HCV) segment. LCV segment went up, where as M&HCV segment has declined around 23% in 2012-13. Due to decline in M&HCV segment total springs demand declined by 24% inspite of growth in LCV segment.

LCV segment has made good start and sustained 14% growth. The demand for LCVs was strong both in volume as well as in capacity tonnage terms during the current fiscal and has also provided some cushioning to the cyclicity that the CV industry is currently witnessing. However in view of bleak future we don't expect growth momentum in the LCV sales to continue.

Unlike LCV, the M&HCV segment is characterized by reduced cargo volume, stiff competition owing to surplus capacities and rising operating costs. Over the past 4-6 months financing environment has also started showing signs of weakness. M&HCV segment is worst affected by the slowdown witnessing negative growth. Within the segment though demand for buses was not affected much due to STU orders, drop in demand for trucks, trailers and multi axle vehicles was the sharpest. There was not much capacity expansion by the vehicle manufactures in the CV segment.

II. How does the Company perceive the industry's demand outlook for 2013-14 onwards?

The domestic CV industry is facing pressure from number of factors like increasing fuel prices, high input costs, persistent inflation, high interest rates, surplus fleet capacity and weak cargo availability. The industry may not repeat performance like 2009-10 and 2010-11, in fact overall demand for CVs remains subdued. The overall near term outlook of the industry seems to be weak and grim. Society of Indian Automobile Manufacturers (SIAM), has forecasted the following demand forecast for the CV industry for FY 2014:

Category	Estimated growth forecast 2013-14
LCV Goods	10-12%
M&HCV Goods	1-3%
Passenger Buses	6-8%

Liquidity in banking sector and soft interest rates will be key factors for increase in CV demand. New models of the utility vehicles launched in the recent months are also likely to create some demand. As GDP growth is expected to improve gradually, demand for commercial vehicles in the medium term shall be influenced by easing of financing norms, pick up in capex cycle and the pace of infrastructure development.

III. What is the short term and long term outlook of the Company?

The Company is a major player in the CV industry having significant interest in M&HCV segment which has been affected by the slowdown. However, the Company had actively pursued de-risking plans and made significant progress in these plans.

In line with its strategy to expand product base, the Company has started commercial production of lift axles and started supplies to Ashok Leyland Limited. Development of the lift axles for new customers is also at advance stage and the commercial production is expected to start in 2013-14. The commercial production of air suspension for low floor buses has also been started. Trial runs of air-suspension have been going on in various parts of the country.

As part of de-risking strategy, the Company aims to tap new markets. New dealer are being added to penetrate the After Market India/Export segment. Three more hubs at Chennai, Nagpur and Jamshedpur were opened in addition to the existing hub at Pant Nagar. These hubs will improve the Company's ability to reach customers across the nation. We are happy to inform that After Market India/Export sales grew by 44% during the year under review.

The expansion plan at Malanpur (Madhya Pradesh) is complete and will enable the Company to diversify sales mix and improve profitability and facilitate growth in the After Market India/Export. We are happy to inform that as a part of strategy, the share of parabolic springs grew by 10% during the year under review. Our de-risking plans showed results and substantially reduced the break even level of the Company. We also took a number of initiatives including improvement of operational efficiencies and cost cuttings at all levels.



The Company has achieved total consolidated sales of ₹1,056 crore and earned consolidated profit after tax of ₹28 crore during FY 2012-2013. Following is the financial detail of the Company:

(₹ in crore)

	Standalone Year Ended 31 March 2013	Consolidated Year ended 31 March 2013
Gross Sales	942	1,056
PBIDT	84	88
Finance cost	22	27
PBDT /Cash Profit	62	61
Depreciation & others	28	29
PBT	34	32
Previous year adjustment	-	-
Provision for tax	4	4
PAT	29	28

IV. What are the internal controls in the Company?

The Company has put in place strong internal control, systems and processes and keeps reviewing their adequacy from time to time. The Audit Committee of the Board reviews the audit reports submitted by the internal auditors. Suggestion for improvements are considered and implemented. The Company places strong emphasis on best practices in corporate governance. The Company wants to bring all the plants under SAP which will bring uniformity in practices of all the plants.



DIRECTORS' REPORT

Dear Members,

The Directors of the Company are pleased to present the 47th Annual Report, together with the audited accounts and performance for the year ended 31 March 2013:

Financial Results:

(₹ in crore)

	Standalone		Consolidated	
	Year Ended 31 March 2013	Year Ended 31 March 2012	Year Ended 31 March 2013	Year Ended 31 March 2012
Gross Sales	942	1,065	1,056	1,204
PBIDT	84	102	88	106
Finance cost	22	16	27	19
PBDT /Cash Profit	62	86	61	87
Depreciation & others	28	32	29	32
PBT	34	54	32	55
Previous year adjustment	-	2	-	3.5
Provision for current tax	-	-	0.09	0.08
Provision for deferred tax	4	9	4	9
PAT	29	43	28	42
Balance brought forward	(95)	(113)	(96)	(113)
Profit available for appropriation	29	43	28	42
Balance carried to Balance Sheet	(79)	(95)	(81)	(96)

Performance:

Weak macro factors and slowing industrial growth has adversely impacted the Commercial Vehicles (CV) industry in the year under review. Segment wise, Light Commercial Vehicles (LCV) segment has sustained growth momentum, whereas Medium & Heavy Commercial Vehicles (M&HCV) segment has shrunk. Your Company is a major player in CV industry having significant interest in M&HCV segment; accordingly it is also affected by the overall slowdown in the industry.

After witnessing a volume growth of 30% during FY 2009-10 and 2010-11, buoyancy in the domestic CV industry has been subdued since second half of 2011-12. LCV segment has made good start and sustained momentum of 14% growth. More models in this segment are expected to be introduced in the market in the medium term. M&HCV segment is worst affected by the slowdown, witnessing negative growth. Within the segment though demand for buses was not affected much due to STU orders, the drop in demand for trucks, trailers and multi axle vehicle was the sharpest. There was not much capacity expansion by the vehicle manufacturers in the CV segment.

The Company has significant interest in M&HCV segment of the CV industry and essentially depends upon the growth

of M&HCV segment. In view of weak economic scenario and slowdown in CV industry, the Company has actively pursued plans to expand customer & market base, change in product mix to increase After Market India/Export share and reduce the share of tapered leaf springs to total revenue and has made progress in all these plans. As a result, the Company has achieved total consolidated sales of ₹1,056 crore during FY 2012-2013 as compared to consolidated sales of ₹1,204 crore in the previous year in spite of negative growth in the M&HCV segment. Total consolidated cash profit of ₹61 crore and consolidated profit after tax of ₹28 crore was earned during the FY 2012-2013 as against the consolidated cash profit of ₹87 crore and profit after tax of ₹42 crore in previous year. The loss of OEM sales owing to negative growth of M&HCV segment has been partially compensated by After Market India/Export growth and improved Share of Business in LCV segment.

Your Company is proposing to pay final dividend of ₹2 per equity share and has also proposed to pay accumulated dividend of ₹43,75,000 to IFCI Limited on 12.50% Optionally Convertible Cumulative Preference Shares.

Product:

During the year under review, the Company has launched lift axles and air-suspension products. The Company has started supply of lift axles to Ashok Leyland Limited and has been awarded by Silver Award for best in class performance in RAMP UP in development and producing lift axles. Jamshedpur plant of your Company has also received Certificate of Excellence Award from Tata Motors Limited for supply of quality products and approach towards continual improvement in quality.

Your Company is at an advance stage of working with other major customers for supply of lift axles and has also started making supplies of air suspension to SML Isuzu Limited for low floor buses. We are happy to inform that as a part of strategy, the share of parabolic springs grew by 10% during the period under review.

Market:

As part of de-risking strategy, the Company is aiming to tap new markets. Our After Market operations are looked after by our subsidiary entity, Jai Suspension Systems LLP. Your Company is constantly adding dealers to penetrate the After Market. During the year under review three new hubs at Chennai, Nagpur and Jamshedpur were established in addition to existing hub at Pant Nagar. These hubs store entire range of the Company's product to feed the dealers and depots across the country. This has improved the Company's ability to reach customers across the nation. We are happy to inform that After Market sales grew by 44% during the year under review.

Locations:

The expansion at Malanpur (Madhya Pradesh) is complete. The expansion will enable the Company to diversify the sales mix, improve profitability and facilitate the growth in the After Market India/Export.

IPR:

Your Company is owner of copyright of more than 60 designs of Tapered Leaf and Parabolic Springs. The patent application for Indian patent for Air Suspension is pending before the patent authorities.

Dividend:

Directors are pleased to recommend a final dividend of ₹2 on the equity shares of ₹10 each out of the profits for the financial year ending 31 March 2013. The Company proposes to transfer ₹2.91 crore to the General Reserves.

Human Resource:

Your Company made significant progress in people development and processes during the year under review.

SAP (HCM) implementation Phase I (Organizational Management, Personnel Administration, Payroll and Time Management) was completed successfully across the Company. The implementation makes integrated information available at any location pertaining to people and deliver through standard processes irrespective of location.

Internal development and attraction of high quality talent has been the prime focus during the year. High performing professionals with established background were appointed at senior leadership levels. Graduate Engineering Trainee scheme was launched at one manufacturing unit as a pilot. Fresh graduate engineers are under training in accordance with a year long structured internal training program.

Performance Management System was revamped to reward the performance culture and is being further upgraded.

Relations with employees and associated workforce remained cordial throughout the year.

Fixed Deposit:

During the period under review, the Company has not accepted any public deposits.

Energy, Technology Absorption & Foreign Exchange:

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988, are set out in Annexure 'A' and form an integral part of this report.

Particulars of Employees:

As per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the

members of the Company, excluding the information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Registered Office during working hours up to the date of Annual General Meeting.

Directors:

Mr. V. Subramanian was appointed as nominee director of IFCI Ltd. on the Board of Directors of the Company in place of Mr. D. K. Jain. The Board places on record its appreciation for the valuable contribution made by Mr. Jain during his tenure as director of the Company.

Mr. S. P. S. Kohli, President & Executive Director has resigned from the services of the Company. The Board places on record its appreciation for the valuable contribution made by Mr. Kohli during his tenure with the Company.

In accordance with the applicable provisions, Mr. J. K. Jain, Mr. Shashi Bansal and Seth Ashok Kumar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Proposals for change in remuneration of Mr. R. S. Jauhar as CEO & Executive Director, reappointment of Mr. P. S. Jauhar as COO & Executive Director and appointment of Mr. H. S. Gujral as Executive Director are being placed for the consideration of members at the coming Annual General Meeting.

Statutory Auditors:

The Statutory Auditors have reported delay in repayment of dues to banks and financial institutions. These delays occurred mainly due to temporary liquidity problem. Further, steps have been taken to ensure repayment of dues on time and there has been no delay since January, 2013. In view of the timely repayments, ICRA has revised the ratings of the Company for Lines of Credit from ICRA D to ICRA BBB- (Stable) and Short term bank facilities from ICRA D to ICRA A3.

The auditors have also observed that the Company used short term funds of ₹35.81 crore for long term investment. The Company has infused long term funds of ₹25.50 crore by way of liquidation of investments during first quarter of the current financial year to correct this gap. In addition, cash generation from operations during first quarter of the current financial year is higher than capital expenditure and term loan repayments and the same has been deployed in working capital.

The Statutory Auditors have, in their report, mentioned about delays in deposit of statutory dues in few cases. We may mention here that these delays were due to oversight and purely unintentional. We are implementing corrective actions to ensure such delays do not occur again. In addition, we are also training



and sensitizing our employees at working level for compliances/timely deposits.

The Statutory Auditors have, in their report, mentioned about one instance of an attempted fraud on the Company by a job worker. This has happened purely during the course of commercial dealing with the vendor having long term relationship. This risk has been fully provided in FY 2012-13.

The report of the statutory auditors read with the notes on accounts being self-explanatory, needs no further clarification.

The present Statutory Auditors i.e., M/s B. S. R. & Co; Chartered Accountants have expressed their un-willingness to continue as Statutory Auditors of the company. In view of the above, directors recommend appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company at the ensuing Annual General Meeting. M/s S. R. Batliboi & Co. LLP, Chartered Accountants have confirmed their eligibility and willingness to act as Statutory Auditors of the company, if appointed. The directors place on record their appreciation for the outgoing auditors' cooperation and support.

Cost Auditors:

Pursuant to the cost audit orders issued by the Ministry of Corporate Affairs (MCA) under Section 233B of the Companies Act, 1956, M/s GoyalGoyal & Associates, Cost Accountants and M/s Vijender Sharma & Co; Cost Accountants were re-appointed for the financial year ended on 31 March 2013. The Cost Audit Reports for the financial year ended 31 March 2012 were duly filed with the MCA.

Internal Auditors:

M/s K. Khanna & Co., Chartered Accountants are the internal auditors of the Company. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of transactions in value terms. Independence of audit and compliance is ensured by submitting the report of internal audit to the Audit Committee of the Board.

To ensure reliability of financial reporting and safeguarding of the assets internal control systems, accounting and procedural controls are established in the organization. The Company endeavours to continuously strengthen such procedures and controls.

Consolidated Financial Statements:

Consolidated Financial Statements of the Company and Jai Suspension Systems LLP for the financial year 2012-13 have been included in the Annual Report in compliance with the Accounting Standard 21. The Company is the majority partner in the partnership firm.

Report on Corporate Governance:

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance alongwith the Certificate of Compliance with the conditions of the corporate governance is given and forms part of this report.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibilities Statement, the directors confirm that:

- (a) The Annual Accounts for the financial year ended 31 March 2013 are in conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India and no material departure from the same have been made;
- (b) Such Accounting Policies have been selected and consistently applied and judgments and estimates made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year 2012-2013 and of the profit or loss of the Company for that period;
- (c) Proper and sufficient care was taken for maintenance of adequate accounting records maintained in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting any form of fraud and other irregularities;
- (d) The Annual Accounts for the financial year ended 31 March 2013 have been prepared on a going concern basis.

Appreciation:

The Directors place on record their sincere appreciation to all the shareholders, partners, customers and employees who remain the centre of our focus. We also place on record our appreciation for the contributions made by employees at all levels, bankers and financial institutions.

For and on behalf of the Board

Place: New Delhi
Date: 13 August 2013

(B. S. Jauhar)
Chairman

ANNEXURE “A” TO THE DIRECTORS’ REPORT

Disclosure of Particulars with respect to conservation of energy, technology absorption and foreign exchange outgo and earning as required under the Companies {Disclosure of Particulars in the Report of Board of Director(s)} Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measure taken:

- Your Company is optimizing the production processes to reduce energy cost.
- Furnaces are being reinsulated to avoid heat losses.
- ETP treated water is being utilized for tree plantation and gardening.
- Fume extraction systems are under installation which will prevent quenching oil drops being released in the air.

b) Additional investment and proposal, if any, being implemented for reduction of energy:

Your Company is engaged in energy conservation on continuous basis.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production:

- Effective & lower energy consumption, less maintenance etc. It is however, difficult to determine their impact on the cost of production.
- The power position in the Plants has been improved. This has resulted in improvement in power consumption.
- The Company is working on the optimum load factor and getting maximum benefit of reduced tariff.

d) Total energy consumption & energy consumption per unit of production as per Form A of the Annexure II in respect of industries specified in the schedule thereto:

Not Applicable.

B. RESEARCH & DEVELOPMENT

a) Specific Areas in which the Company carries out R&D:

- Generation of Life expectancy of tapered leaf springs under different stress amplitudes.
- Design & Development of Lift Axle & Air Suspension.

b) Benefits derived as a result of R&D:

- Reduction in design & development time.
- Optimum utilization of weight of the springs for expected life.
- Product diversification.

c) Future Plan of Action:

- Trials of advanced shot peening techniques and impact on life of springs.

(ii) Development of Composite Leaf Springs

d) Expenditure on R&D:

(₹ in crore)

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
i) Capital/Deferred Revenue	0	0
ii) Recurring	0.66	0.78
iii) Total	0.66	0.78
iv) Total R&D expenditure as percentage of Total Turnover	0.07%	0.07%

* Expenditure related to capital items are debited to fixed assets and depreciated at applicable rates and revenue expenditure charged to the Profit and Loss Account.

C. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

a) Technology Absorption, adaptation and innovation:

- Technology imported from NHK Spring Co; Ltd., Japan (NHK) for manufacturing of Tapered Leaf Springs has been fully absorbed.
- Technical help from NHK has yielded better improvement in the quality and productivity for the new product range developed for overseas customers.
- Technology imported from Ridewell Corporation USA for Design & Manufacturing of Air Suspension & Lift Axles has been partially absorbed.
- Your Company is also engaged in various other initiatives related to improvement in the processes.

b) Benefits derived as a result of the above efforts:

R&D Center will help in reducing development time and improve our products with new technological advancements.

c) Technology imported:

- Year of import: (1985-90 for manufacturing Tapered Leaf Springs)(2009-2010 for manufacturing Air Suspension)
- Has technology been fully absorbed: Technology imported for Tapered Leaf Springs has been fully absorbed. Technology imported for Air Suspension has not been fully absorbed yet.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earning and outgo are as under: -

(₹ in crore)

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Foreign exchange used	25.01	29.39
Foreign exchange earned	5.04	3.29



ANNEXURE “B”

Disclosure regarding Employees Stock Option Plan pursuant to the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and forming part of the Directors' Report for the year ended 31 March 2013

	Particulars	For the Year Ended 31 March 2013	Cumulative options upto 31 March 2013
1.	Number of Options granted	Nil	1,542,711
2.	Pricing formula	Market price at the time of grant of Option	Market price at the time of grant of Option
3.	Options vested	159,298	626,959
4.	Options exercised	99,403	349,239
5.	Total number of shares arising as a result of exercise of Option	99,403	349,239
6.	Options lapsed/Cancelled	132,872	571,972
7.	Variation in terms of Options	Nil	Nil
8.	Money realized by exercise of Options	₹4,755,202.10	₹14,721,862.55
9.	Total number of Options in force	621,500	621,500
10.	Employee-wise details of Options granted during the year to		
	(i) Senior managerial personnel	Nil	1,109,661
	(ii) Other employee who receives a grant in any one year of option amounting to 5% or more of Option granted during that year	Nil	Nil
	(iii) Employees who received the Options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil	Nil
11.	Diluted earning per share (EPS) pursuant to issuance of Options under ESOP calculated in accordance with International Accounting Standard (IAS) 33	7.21	(10.81)
12.	<p>The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, to account for stock options issued under the Company's stock option schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.</p> <p>There would be no impact on the profit or earnings per share had the Company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.</p>		
13.	<p>Weighted average exercise price (per option): Not applicable since the Company has not granted stock options during the year</p> <p>Weighted average fair value (per option): Not applicable since the Company has not granted stock options during the year(per black scholes model)</p>		



ANNEXURE “C”

CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company endeavors to conduct and manage its affairs by employing such practices which ensure transparency in disclosure, control and accountability in transactions, to enhance shareholders value.

BOARD OF DIRECTORS

The Board of Directors (The Board) provides strategic directions and oversees the overall functioning of the Company. The day to day affairs of the Company are managed by a competent team of professionals. The composition of the Board is as follows:

Promoter Directors	Mr. Bhupinder Singh Jauhar (Non Executive Director) Mr. Randeep Singh Jauhar (CEO & Executive Director) Mr. Pradeep Singh Jauhar (COO & Executive Director)
Independent Directors	Mr. Jainendar Kumar Jain Mr. Chander Kailash Vohra Seth Ashok Kumar Mr. Uma Kant Singhal Mr. Shashi Bansal Mr. V. Subramanian (Nominee Director, IFCI Ltd w.e.f. 26 March 2013) Mr. D. K. Jain (Nominee Director, IFCI Ltd upto 26 March 2013)
Non-Independent Directors	Dr. Pierre Jean Everaert (Nominee Director, Clearwater Capital Partners (Cyprus) Ltd) Mr. Karthik Athreya, Alternate Director to Dr. Pierre Jean Everaert Mr. S. P. S. Kohli (President & Executive Director upto 30 May 2013)

Composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement. The Board has an optimum combination of Executive and Non-Executive Directors, with half of them being Independent Directors. Board meetings are normally held at New Delhi at the Corporate Office of the Company.

During the year under review Mr. S. P. S. Kohli resigned from the services of the Company w.e.f. 1 April 2013. He also ceased to be a director w.e.f. 30 May 2013. Mr. D. K. Jain ceased to be a director w.e.f. 26 March 2013 upon his withdrawal as nominee director by IFCI Ltd. Mr. V. Subramanian was inducted in the Board as nominee of IFCI Ltd w.e.f 26 March 2013.



Six meetings of the Board were held on 30 May 2012, 7 June 2012, 30 July 2012, 8 November 2012, 12 February 2013 and 26 March 2013 during FY 2012-2013. Details of attendance of the directors at Board Meetings, last Annual General Meeting and number of their directorships and committee memberships/chairmanships in accordance with Clause 49 of the listing agreement as on 31 March 2013, are as follows:

Name	Attendance		Particulars of Other directorships/ Committee Membership(s)/ Chairmanship(s) in public companies		
	Board Meetings	Last AGM (Yes / No)	Director-ship	Committee Member-ship	Committee Chairman-ship
Mr. B. S. Jauhar	2	No	-	-	-
Mr. R. S. Jauhar	3	Yes	1	1	-
Mr. P. S. Jauhar	6	Yes	-	-	-
Mr. J. K. Jain	6	No	2	2	2
Seth Ashok Kumar	-	No	3	2	1
Mr. C. K. Vohra	4	Yes	-	-	-
Mr. U. K. Singhal	6	No	-	-	-
Mr. Shashi Bansal	3	No	-	-	-
Dr. Pierre Jean Everaert	-	No	-	-	-
Mr. Karthik Athreya (alternate director to Dr. Pierre Jean Everaert)	2	-	3	-	-
Mr. V. Subramanian (director w.e.f. 26 March 2013)	1	No	-	-	-
Mr. D. K. Jain (director upto 26 March 2013)	5	No	1	-	-
Mr. S. P. S. Kohli (director upto 30 May 2013)	5	No	-	-	-

The Board has formed following committees to expedite resolution of routine matters and also under the requirements of the Companies Act, 1956, listing agreement and SEBI regulations. Detail of the committees is given below in the report:

- 1) Audit Committee
- 2) Compensation Committee (ESOP)
- 3) Remuneration Committee
- 4) Borrowing, Investment & Administrative Committee
- 5) Shareholders' Grievance & Transfer Committee

AUDIT COMMITTEE

The Committee consists of 4 independent directors. The Committee confirms to the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The scope of the Committee includes roles and powers enumerated in Clause 49 (II) of the Listing Agreement. The composition of the Committee is as follows:

Independent Directors	Mr. Chander Kailash Vohra, Chairman
	Mr. Jainendar Kumar Jain
	Mr. Uma Kant Singhal
	Mr. V. Subramanian (w.e.f. 26 March 2013)
	Mr. Dileep Kumar Jain (upto 26 March 2013)

All members of the Committee are financially literate. The Chairman of the Committee, Mr. C. K. Vohra is a retired Indian Revenue official and has wide knowledge of accounts and finance.

The Committee oversees the accuracy and integrity of accounting and financial reporting and meets at least once in a quarter to discuss the financials, audit reports, related party transactions and other matters. Financial results and accounts are reviewed by the Committee before they are placed before the Board. The Company Secretary acts as a secretary to the Committee and Head of finance and accounts is also present at the Committee meetings. Statutory, internal and cost auditors are also invited to the Committee meetings as and when required. Independence of audit is ensured by submitting the statutory, internal and cost audit reports to the Committee. The appointment or re-appointment of the auditors is also placed before the Committee.

Total six meetings of the Committee were held during FY 2012-2013 on 30 May 2012, 7 June 2012, 30 July 2012, 8 November 2012, 12 February 2013 and 26 March 2013. The attendance of members at Audit Committee meeting is as follows:

Member	Mr. C.K. Vohra	Mr. J. K. Jain	Mr. U. K. Singhal	Mr. D. K. Jain (upto 26 March 2013)	Mr. V Subramanian (w.e.f. 26 March 2013)
Attendance	4	6	6	5	1

COMPENSATION COMMITTEE (ESOP)

The Committee consists of 4 directors and confirms to the requirements of SEBI ESOP Guidelines, 1999. The composition of the Committee is as follows:

Independent Directors	Mr. Uma Kant Singhal, Chairman Mr. Jainendar Kumar Jain Mr. Chander Kailash Vohra
Executive Director	Mr. Randeep Singh Jauhar

The Committee meets normally in a quarter to administer the ESOP scheme, grant stock Options and allot shares upon exercise of the stock Options. The Compensation Committee had allotted 99,403 shares upon exercise of stock options during the financial year under review.

Total four meetings of the Committee were held on 30 May 2012, 30 July 2012, 8 November 2012 and 12 February 2013 during the FY 2012-2013. The attendance of members at Compensation Committee meeting is as follows:

Member	Mr. R. S. Jauhar	Mr. J. K. Jain	Mr. C. K. Vohra	Mr. U. K. Singhal
Attendance	3	4	3	4

REMUNERATION COMMITTEE

The Committee consists of 4 independent directors and confirms to the requirements of the Companies Act, 1956 and clause 49 of the listing agreement. The composition of the Committee is as follows:

Independent Directors	Mr. Chander Kailash Vohra, Chairman Mr. Jainendar Kumar Jain Mr. Uma Kant Singhal Mr. V. Subramanian (w.e.f. 26 March 2013) Mr. Dileep Kumar Jain (upto 26 March 2013)
------------------------------	--

The Committee meets to make recommendation to the Board on remuneration of the executive directors and other senior executives as designated by the Board. All the executive directors are appointed for a fixed term of three years. Executive Directors are paid monthly remuneration as per the terms of their appointment. Non-Executive Directors are paid sitting fee for attending meeting of the Board or Committee meeting of the Board.

Two meetings of the Remuneration Committee were held during FY 2012-2013 on 30 May 2012 and 30 July 2012. The attendance of members at the meeting is as follows:

Member	Mr. J. K. Jain	Mr. C. K. Vohra	Mr. U. K. Singhal	Mr. D. K. Jain (upto 26 March 2013)	Mr. V. Subramanian (w.e.f. 26 March 2013)
Attendance	2	2	2	2	-

BORROWING INVESTMENT & ADMINISTRATIVE COMMITTEE

The Committee consists of 3 directors and meets as and when required to expedite resolution of routine matters. Following is the composition of the Committee:

Independent Directors	Mr. Uma Kant Singhal, Chairman
Executive Directors	Mr. Randeep Singh Jauhar Mr. S. P. S. Kohli (upto 30 May 2013)



Four meetings of the committee were held during the year under review on 30 July 2012, 26 November 2012, 25 February 2013 and 13 March 2013 to approve authorization of employees to perform their day to day duties. The attendance of members at the meeting is as follows:

Member	Mr. R. S. Jauhar	Mr. U. K. Singhal	Mr. S.P. S Kohli
Attendance	4	4	1

SHAREHOLDERS' GRIEVANCE & TRANSFER COMMITTEE

The Investors Grievance Committee consists of 3 members. Mr. U. K. Singhal is the chairman of the Committee. Following is the composition of the Committee:

Independent Directors	Mr. Uma Kant Singhal, Chairman
Executive Directors	Mr. Randeep Singh Jauhar
	Mr. S. P. S. Kohli (upto 30 May 2013)

The Committee oversees and reviews all matters connected with transfer of shares, redressal of shareholders' complaints and performance of the Registrars and Transfer Agents and recommends measures for overall improvement in the quality of services to the investors. Four meetings of the Committee were held during FY 2012-2013 on 30 May 2012, 30 July 2012, 8 November 2012 and 12 February 2013. The attendance of members at Compensation Committee meeting is as follows:

Member	Mr. R. S. Jauhar	Mr. U. K. Singhal	Mr. S. P. S. Kohli
Attendance	4	4	4

CERTIFICATIONS

Members of the Board and Senior Management personnel have affirmed compliance with the code of conduct for business ethics and Code of Conduct for Insider Trading.

Pursuant to Clause 49V of the Listing Agreement, Mr. P. S. Jauhar, COO & Executive Director and Mr. Shakti Goyal, GM-Finance & Material of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2013.

ANNUAL GENERAL MEETINGS

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Jai Springs Road, Industrial Area, Yamuna Nagar-135001, Haryana. Following are the details of date, time and special resolutions passed at the AGMs:

Year	2010	2011	2012
Date	07 August 2010	31 August 2011	18 August 2012
Time	11:30 a.m.	11:30 a.m.	9:30 a.m.
Special Resolution	Preferential issue of equity shares	Nil	Re-appointment of Mr. S. P. S. Kohli
Resolution proposed or passed by postal ballot	Nil	Nil	Nil

DISCLOSURES

(A) Basis of related party transactions

Details of related party transactions entered into by the Company are placed before the Board and the Audit Committee. The details are also included in the Notes to Accounts. All the transactions with related parties are in the normal course of business on an arm's length basis and do not have potential conflict with the interests of the Company at large.

During the previous three years, there have been no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance on any matter related to the capital markets except penalty of ₹50,000 levied by Ludhiana Stock Exchange towards non-compliance of listing agreement.

(B) Remuneration of Directors

Non-Executive Directors

Non-Executive Directors are paid sitting fee for attending meeting of the Board or Committee of the Board. During the financial year ended 31 March 2013 the Company has paid following sitting fees to the Non executive directors:

Name of Director	Sitting Fee Paid (₹ in lacs)	No. of equity shares held	Convertible Instruments / ESOP
Mr. B. S. Jauhar	-	688,774	-
Mr. D. K. Jain	1.20	-	-
Seth Ashok Kumar	-	5250	-
Mr. J. K. Jain	1.80	-	-
Mr. C. K. Vohra	1.30	-	-
Mr. U. K. Singhal	2.60	-	-
Mr. Shashi Bansal	0.30	-	-
Mr. Pierre Jean Everaert	-	-	-
Mr. V. Subramanian	0.1	-	-
Mr. Karthik B. Athreya	0.1	-	-

For the year ended 31 March 2013, Non-Executive Directors did not have any pecuniary transaction or relationship with the Company except receipt of sitting fees as above.

Executive Directors

The Company paid monthly remuneration to all the three Executive Directors as per terms of their appointment. The following remuneration was paid to the executive directors during the year 2012-13:

(₹ in lacs)

	Mr. R S Jauhar CEO & Executive Director	Mr. P S Jauhar COO & Executive Director	Mr. S P S Kohli President & Executive Director
Basic Salary	68.00	64.00	15.84
Allowance	43.60	38.40	23.25
Perquisites	2.95	1.20	2.27
Contribution to provident fund superannuation fund	8.16	7.68	1.74
Convertible Instruments / ESOP	-	-	11.22
Retirement benefits	-	-	35.39

(C) Management

The Management Discussion and Analysis Report is given separately in the Annual Report. A separate section on Management Discussion and Analysis for the year ended on 31 March 2013 also forms part of this Annual Report.

(D) Shareholders

Mr. Jainendar Kumar Jain, Seth Ashok Kumar and Mr. Shashi Bansal are retiring by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment at the Annual General Meeting. Following is the shareholding of retiring directors in the Company as on 31 March 2013:

- 1) Mr. Jainendar Kumar Jain Nil
- 2) Seth Ashok Kumar 5,250
- 3) Mr. Shashi Bansal Nil

Brief resume of the directors retiring by rotation and seeking re-appointment at the Annual General Meeting are given separately in the notice to the Annual General meeting.

(E) Investor complaints and Compliance Officer

During the financial year ended 31 March 2013 the Company has received and resolved 2 complaints. No complaint was pending as on 31 March 2013. Mr. Praveen Lakhera, Company Secretary & Head-Legal is the Compliance Officer. The Company confirms that there are no share transfers pending as on 31 March 2013 for more than 15 days from the date of lodgment thereof.

Share Registrar & Transfer Agent (RTA)

Communication regarding share transfer/transmission, change of address, dividend, etc. can be addressed to RTA at:

Skyline Financial Services (P) Limited,
D-153 A, First Floor, Okhla Industrial Area, Phase-I
New Delhi-110020
Ph. 011- 26812682, 26812683 Fax.-26292681
Email: grievances@skylinerta.com



Share Transfer System

Skyline Financial Services Pvt. Limited is the Share Registrar & Transfer Agent of the Company. All transfer requests received till three days prior to the date of the meeting are normally considered for approval in the meeting. All requests for dematerialisation of shares are processed and the confirmation is given to the depositories within fifteen days. Grievances received from the members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar expeditiously.

(F) Relationship between Directors

Mr. B. S. Jauhar, Chairman is the father of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

(G) The Company is complying with mandatory requirements of Clause 49 of the Listing Agreement. Towards the non mandatory requirements of clause 49, the Company has taken following steps:

The Board: The Board has Non Executive Chairman. The Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office. None of the Independent directors have completed the tenure of 9 years from the date of their appointment.

Remuneration Committee: Please refer heading "Board of Directors" and 'Remuneration Committee'.

Shareholder Rights: Please refer heading "Means of Communications".

Audit Qualifications: As per Auditors' Report

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

DEMATERIALIZATION OF SHARES

35,286,127 (89.30%) shares of the Company are in dematerialized form as on 31 March 2013.

GENERAL SHAREHOLDERS INFORMATION

Date, time and venue of the 47 Annual General Meeting

Friday, 20 September 2013 at 9:30 a.m. at the Registered Office at Jai Springs Road, Industrial Area, Yamuna Nagar-135001, Haryana.
Financial Calendar (tentative and subject to changes)

Financial Year: 1 April 2013 to 31 March 2014

- a) Un-audited Financial Results for Quarter ending June, 2013: 14 August 2013
- b) Un-audited Financial Results for Quarter ending September, 2013: 14 November 2013
- c) Un-audited Financial Results for Quarter ending December, 2013 : 14 February 2014
- d) Audited Results for the year ending 31 March 2014 : May 2014
- e) Annual General Meeting for the year 2014 : On or before 30 September 2014

Book Closure / Record dates

From 27 June 2013 to 29 June 2013 (both the days inclusive).

Dividend payment date

The Company has not paid any Interim Dividend during the year ended 31 March 2013. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend remaining unclaimed/unpaid for a period of 7 years from the date of transfer to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEP Fund).

Following are the dates of dividends declared and the corresponding dates when unclaimed dividends are due for transfer to IEP Fund:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to Investor Education and Protection Fund
2010-11 (Interim Dividend)	03 February 2011	02 February 2018	06 March 2018
2010-11 (Final Dividend)	31 August 2011	30 August 2018	01 October 2018
2011-12 (Interim Dividend)	01 August 2011	31 July 2018	01 September 2018
2011-12 (Second Interim Dividend)	31 January 2012	30 January 2019	02 March 2019
2011-12 (Final Dividend)	18 August 2012	17 August 2019	17 September 2019

In view of the above, members are advised to send unencashed dividend warrants pertaining to the above years to the Registrar and Transfer Agent for revalidation or issuance of Demand Drafts in lieu thereof and encash them before the due dates for transfer to the IEP Fund.

Listing on Stock Exchanges

National Stock Exchange, Bombay Stock Exchange, Delhi Stock Exchange and Ludhiana Stock Exchange. The Company has applied to Ludhiana Stock Exchange for delisting of shares.

WEBSITE:

The Company has a separate section on "Investor Relations" on its web site www.jaispring.com. Shareholding pattern, financial results, annual reports and other information are periodically updated in this section. The section also contains information on the code of conduct, insider trading policy, details about the Board of Directors, contact information of Compliance Officer, RTA etc. Apart from that regular announcements and press releases etc; are updated under the caption "Information Bulletin and Media & Press Release".

ISIN No. (Equity Shares): INE039C01016

STOCK CODE: 520051 (BSE), JAMNAAUTO (NSE)

Pursuant to SEBI circular, shares of the Company are put for trading under Periodic Call Auction for Illiquid Scrip.

MARKET PRICE DATA

Bombay Stock Exchange				National Stock Exchange			
Month	High (₹)	Low (₹)	Close (₹)	Month	High (₹)	Low (₹)	Close (₹)
April 2012	181	107	158.2	April 2012	181.5	102	156.8
May 2012	158.1	116.05	128.35	May 2012	161.15	122	126.2
June 2012	153.5	117.5	130.85	June 2012	158	117.2	132.05
July 2012	142	112	120.5	July 2012	137.95	110.35	120.95
August 2012	130	115	117	August 2012	137.4	115	115
September 2012	131.5	113	116.6	September 2012	132.7	112.1	118
October 2012	132	106.05	113	October 2012	132.5	110.2	114.8
November 2012	120	99	106.4	November 2012	114.9	101	106.75
December 2012	110	101	102.5	December 2012	112.6	104	105.5
January 2013	113	75.65	83.5	January 2013	113.95	75.3	83.45
February 2013	90	71	73.95	February 2013	91	69.2	75.1
March 2013	81.25	70	78.9	March 2013	84.95	69.5	79

DISTRIBUTION SCHEDULE AS ON 31 MARCH 2013

Share Holding Class	No. of Share holders	% of total number of shareholders	Number of shares of ₹ 10 each	% of total number of shares
Up to 500	16,841	94.99	2,187,464	5.54
501 to 1000	501	2.83	380,589	0.96
1001 to 2000	161	0.91	232,878	0.59
2001 to 3000	48	0.27	123,107	0.31
3001 to 4000	22	0.12	73,644	0.19
4001 to 5000	19	0.11	87,422	0.22
5001 to 10000	46	0.26	342,893	0.87
10001 and above	91	0.51	36,084,867	91.32
Total	17,729	100	39,512,864	100



SHAREHOLDING PATTERN AS ON 31 MARCH 2013

Category	No. of shares held	% of total share capital
Promoters	17,409,830	44.06
Mutual Funds / UTI	20450	0.05
Financial Institutions / Banks	6,650	0.02
FII's	259,815	0.66
Bodies Corporate	1,886,509	4.77
Indian Public	5,868,359	14.85
NRIs /Foreign Nationals/OCB	429,022	1.09
Foreign Company	13,501,653	34.17
Others	130,576	0.33
	39,512,864	100

MEANS OF COMMUNICATION

Financial results and other statutory notices are published generally in Business Standard and Financial Express for English newspaper and Veer Arjun or Jansatta for vernacular language newspaper.

The Company's website also provides updated information about shareholding pattern, financial results, annual reports, regular announcements, press releases etc.

PLANT LOCATIONS

- Jai Springs Road, Industrial Area, Yamuna Nagar-135 001, Haryana.
- U-27-29, Industrial Area, Malanpur, District Bhind-477116, M.P.
- Plot No. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, Distt. Kanchipuram-603204, Tamil Nadu.
- 262-263, Village Karnidih, Chandil, District Saraikella, Kharswan-832401, Jharkhand.
- Gata no. 1490, Khajoor Gaon, Chintah-Deva Road, Distt. Barabanki-225003, U.P.
- Thally Road, Kalugondapalli Post, Hosur-635114, Distt. Krishnagiri, Tamil Nadu.

CORPORATE OFFICE

2 Park Lane, Kishangarh,

Vasant Kunj, New Delhi-110 070

Ph: 011-32648668, 32648698 Fax:26893192

E-mail: praveen@jaispring.com, website: www.jaispring.com



AUDITOR'S CERTIFICATE ON COMPLIANCE OF PROVISIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
Jamna Auto Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jamna Auto Industries Limited ('the Company'), for the year ended on 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 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.

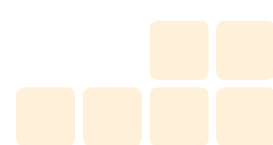
For B S R & CO.

Chartered Accountants
Firm Registration No. 101248W

ZUBIN SHEKARY

Partner
Membership No. 048814

Place : Gurgaon
Date : 30 May 2013



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JAMNA AUTO INDUSTRIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of Jamna Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. 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"). This responsibility includes the design, implementation and maintenance of internal controls 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.

3. Auditors' 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 controls 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. 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.

4. 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 31 March 2013;
- (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.

5. Report on Other Legal and Regulatory Requirements

- (i) 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.
- (ii) 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 comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **BSR & Co.**

Chartered Accountants

Firm registration number: 101248W

Zubin Shekary

Partner

Membership No.: 048814

Place: Gurgaon

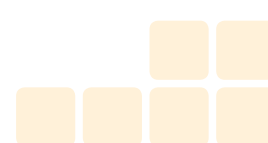
Date: 30 May 2013



ANNEXURE REFERRED TO IN PARAGRAPH 5 OF THE INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JAMNA AUTO INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013.

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are physically verified by the management in a phased manner over a period of three years. In accordance with such phased programme, certain categories of fixed assets at certain locations have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its fixed assets. As informed to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) During the year, the Company has augmented its manufacturing facilities including replacing some of the existing machinery. Management assessed the present condition and status of existing plant and machinery and on the basis thereof, identified those that were redundant and no longer useable given the process improvements made and have accordingly, discarded/ disposed off such assets during the year. As a consequence, although the assets disposed and assets discarded were substantial, in our opinion, such disposal or assets discarded does not affect the going concern assumption.
- (ii) (a) According to the information and explanations given to us, the inventories lying at different manufacturing facilities, except stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year end, written confirmations have been obtained.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. As informed to us, the discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paras 4 (iii) (b) to (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain goods sold and some services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, we have not observed any major weaknesses in the internal control system during the course of our audit.
- (v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding ₹5 lacs with any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, except for purchase of services which are for the specialized requirements of the Company and sale of fixed assets for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.



- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities *though there have been some delays in few cases.*

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the Statute	Nature of the Dues	Amount* (₹)	Period to which the amount relates	Due date	Date of Payment
Income tax	TDS on contractor	281	June 2012	7 July 2012	30 April 2013
Sale tax	WCT	14,138	June 2012	7 July 2012	27 April 2013
Excise duty	Excise duty on designing charges	66,261	April to September 2012	5th of the succeeding month in respect of each month	30 May 2013

* Including interest

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty and Excise duty which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned appendix I:
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) *In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions, except in respect of dues aggregating ₹9,186.58 lakh to banks and a financial institution for delays ranging upto 35 days. However, there are no overdue amounts outstanding to banks and financial institutions as at the year end.*
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, term loans have been applied for the purpose for which such loans were obtained.
- (xvii) *According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis amounting to ₹3,934.95 lakhs have been used for long-term investments.*
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) *According to the information and explanations provided to us, the management noticed an instance of an attempted fraud on the Company by a job worker, involving inventories and a business advance provided in earlier years. The Company has taken all necessary steps, including criminal action, against the said job worker. While management has taken necessary steps for recovery of the amount involved, which is not significant or material, a full provision has been made as a matter of abundant caution.*

For **BSR & Co.**

Chartered Accountants

Firm registration number: 101248W

Zubin Shekary

Partner

Membership No.: 048814

Place: Gurgaon

Date: 30 May 2013

Appendix-I

Name of Statute	Nature of the disputed dues	Forum where dispute in pending	Amount involved (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates
The Central Excise Act, 1944	Excise Duty	Commissioner (Appeal), Central Excise, Delhi	0.10	—	2010-2011 to 2011 -2012
The Central Excise Act, 1944	Excise Duty	CESTAT, New Delhi	6.43	4.05	2005-2006 to 2008-2009
Custom Act, 1962	Custom Duty	Commissioner (Appeal) Customs & Central Excise, Indore	40.24	—	2009-2010
Madhya Pradesh Sales Tax Act, 1958	Sales Tax	Additional Commissioner Commercial Tax, Gwalior	5.81	1.63	2008-2009
Madhya Pradesh Sales Tax Act, 1958	Sales Tax	MP Commercial Tax Appellate Board, Bhopal	11.78	3.3	2001-2002
The Central Excise Act, 1944	Excise Duty	Commissioner (Appeal) Customs & Central Excise, Indore	49.63	—	2010-2011
M.P. Commercial Tax Act, 1994	Commercial Tax	MP Commercial Tax Appellate Board, Bhopal	0.65	0.12	1997-1998
Central Sales Tax Act, 1956	Sales Tax	Appellate Deputy Commissioner, Chennai	18.11	9.58	2003-2004
Finance Act, 1994 (Service Tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	4.93	—	2006-2007
Finance Act, 1994 (Service Tax)	Service Tax	Deputy Commissioner, Central Excise, Chennai	1.92	—	2009-2010
Finance Act, 1994 (Service Tax)	Service Tax	CESTAT, New Delhi	51.5	—	2008-2009
Finance Act, 1994 (Service Tax)	Service Tax	Additional Commissioner, Central Excise, Gwalior	20.63	—	2005-2006 to 2009-2010
Finance Act, 1994 (Service Tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Gwalior	3.56	—	2009-2010 to 2010-2011
Finance Act, 1994 (Service Tax)	Service Tax	Commissioner (Appeal), Central Excise, Delhi	2.62	—	2005-2006 to 2009-2010
Finance Act, 1994 (Service Tax)	Service Tax	CESTAT, New Delhi	1.12	—	2008-2009
Finance Act, 1994 (Service Tax)	Service Tax	Commissioner (Appeal), Central Excise, Delhi	3.17	—	2010-2011
Finance Act, 1994 (Service Tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	0.57	—	2005-2006
Madhya Pradesh Sales Tax Act, 1958	Sales Tax	MP Commercial Tax Appellate Board, Bhopal	0.25	0.07	1999-2000
U.P. Trade Tax Act, 1948	Sales Tax	High Court, Allahabad	6.2	—	2008-2009
The Central Excise Act, 1944	Excise Duty	High Court, Gwalior	7.47	—	1997-1998
Finance Act, 1994 (Service Tax)	Service Tax	Assistant Commissioner Custom & Central Excise, Yamuna Nagar	4.74	—	2011-2012
Finance Act, 1994 (Service Tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Gwalior	3.9	—	2011-2012 to 2012-2013
The Central Excise Act, 1944	Excise Duty	Commissioner, Custom & Central Excise, Indore	2.95	—	2009-2010 to 2010-2011
Jharkhand Value Added Tax Act, 2005	Sales Tax	Additional Commissioner (Commercial Tax), Jamshedpur	21.39	2.29	2009-2010 to 2011-2012
Total			269.67	21.04	



BALANCE SHEET

AS AT 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

	Note	As At 31 March 2013	As At 31 March 2012
I EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	3	4,299.71	4,289.77
(b) Reserves and surplus	4	13,356.92	11,382.33
		17,656.63	15,672.10
2 SHARE APPLICATION MONEY PENDING ALLOTMENT	3(g)	-	2.72
3 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	4,115.27	6,796.28
(b) Deferred tax liabilities (net)	6	1,558.17	1,119.92
(c) Other long-term liabilities	7	7.02	7.02
(d) Long-term provisions	8	235.12	141.97
		5,915.58	8,065.19
4 CURRENT LIABILITIES			
(a) Short-term borrowings	9	4,898.64	4,789.69
(b) Trade payables	10	19,596.36	21,484.27
(c) Other current liabilities	11	5,286.72	5,290.78
(d) Short-term provisions	8	1,756.48	1,784.16
		31,538.20	33,348.90
TOTAL		55,110.41	57,088.91
II ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	12(a)	25,251.32	16,699.75
(ii) Intangible assets	12(a)	457.21	1,072.58
(iii) Capital work-in-progress	12(b)	925.25	8,287.90
		26,633.78	26,060.23
(b) Non current investments	13	1,624.84	2,190.59
(c) Long-term loans and advances	14	2,942.68	2,882.44
(d) Other non-current assets	15	105.15	197.97
		4,672.67	5,271.00
2 CURRENT ASSETS			
(a) Current investment	13	524.99	-
(b) Inventories	16	10,924.21	10,851.51
(c) Trade receivables	17	9,602.73	10,706.77
(d) Cash and bank balances	18	1,110.46	1,196.34
(e) Short-term loans and advances	14	1,459.19	1,254.19
(f) Other current assets	15	182.38	1,748.87
		23,803.96	25,757.68
TOTAL		55,110.41	57,088.91
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED**ZUBIN SHEKARY**

Partner

Membership No.: 048814

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

PRAVEEN LAKHERACompany Secretary &
Head-Legal**SHAKTI GOYAL**GM-Finance &
Material

Place : Gurgaon

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

	Note	Year Ended 31 March 2013	Year Ended 31 March 2012
INCOME			
I Revenue from operations (gross)	19	94,202.41	106,459.04
Less : Excise duty		10,179.57	9,715.67
Revenue from operations (net)		84,022.84	96,743.37
II Other income	20	2,550.82	2,829.69
III Total revenue		86,573.66	99,573.06
IV Expenses			
Cost of material consumed	21	57,706.32	68,325.55
Change in inventories of finished goods and work in progress	22	(1,032.11)	(296.71)
Employee benefits expense	23	5,182.38	4,610.46
Other expenses	24	16,337.94	16,762.48
Total expenses		78,194.53	89,401.77
V Profit before finance costs, depreciation/amortization cost and exceptional items		8,379.13	10,171.29
VI Finance costs	25	2,206.96	1,599.61
VII Depreciation and amortization expenses	26	2,820.28	3,160.27
VIII Profit before exceptional items and tax		3,351.89	5,411.41
Prior period items/ adjustments	42	-	236.13
Profit before tax		3,351.89	5,175.28
Tax expense			
Current tax		190.00	555.25
Less : Minimum alternate tax credit entitlement		(190.00)	(555.25)
Deferred tax		438.25	891.15
Profit for the year		2,913.64	4,284.13
Basic earnings per share	35	7.25	10.88
Diluted earnings per share	35	7.21	10.81
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED

ZUBIN SHEKARY

Partner

Membership No.: 048814

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

PRAVEEN LAKHERA

Company Secretary &
Head-Legal

SHAKTI GOYAL

GM-Finance &
Material

Place : Gurgaon

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

	Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
A.	Cash flow from operating activities		
	Profit before tax	3,351.89	5,175.28
	Adjustments for:		
	Depreciation	2,820.28	3,160.27
	Loss on sale of fixed assets	6.53	55.60
	Finance costs	2,206.96	1,575.89
	Interest income from fixed deposits	(44.04)	(57.08)
	Excess provision no longer required written back	(8.16)	(37.58)
	Provision for doubtful debts	10.09	110.00
	Provision for doubtful advance	41.52	-
	Bad debts written off	164.61	922.29
	Sundry balance written off	332.10	202.93
	Amortisation of ancillary cost of arranging the borrowings	21.87	23.72
	Exchange fluctuation loss - mark to market on forward exchange contracts	(226.78)	-
	Exchange fluctuation loss - Unamortised premium on forward contract	197.00	-
	Profit in share of limited liability partnership	(2,350.71)	(2,650.00)
	Operating profit before working capital changes	6,523.16	8,481.32
	Changes in operating assets and liabilities:		
	Increase/(decrease) in provisions	89.60	10.66
	Increase/(decrease) in trade payables	(1,879.75)	757.72
	Increase/(decrease) in other liabilities	(1.16)	96.32
	(Increase)/decrease in trade receivables	929.34	40.53
	(Increase)/decrease in inventories	(72.70)	(2,245.79)
	(Increase)/decrease in loans and advances	(762.33)	(580.12)
	(Increase)/decrease in other assets	1,444.47	(719.29)
	Cash generated from operations	6,270.63	5,841.35
	Direct taxes paid	(279.14)	(967.67)
	Net cash generated from operations	5,991.49	4,873.68
B.	Cash flow from investing activities		
	Purchase of fixed assets	(3,014.43)	(8,422.99)
	Proceeds from sale of fixed asset	104.59	87.73
	Movement in fixed deposit	(31.79)	(141.50)
	Investment in limited liability partnership	2,391.47	3,102.15
	Interest received	63.61	32.76
	Net cash used from investing activities	(486.55)	(5,341.85)
C.	Cash flow from financing activities		
	Proceeds from issue of share (including share premium)	44.83	58.75
	Dividend paid (including dividend distribution tax)	(1,190.19)	(1,372.12)
	Proceeds from long term borrowings	1,931.55	6,203.18
	Repayment of long term borrowings	(4,296.21)	(1,932.34)
	Short term borrowings (net)	108.95	(1,166.55)
	Payment of finance costs	(2,204.03)	(1,546.43)
	Net cash from financing activities	(5,605.10)	244.49
	Net increase in cash and cash equivalents	(100.16)	(223.68)
	Opening cash and cash equivalents (excluding unclaimed dividend account)	548.49	772.17



Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Closing cash and cash equivalents	448.33	548.49
Cash and cash equivalent comprises of:		
Cash in hand	7.31	7.95
Balances with scheduled banks (excluding unclaimed dividend account)	441.02	540.54
(Refer note 18)	448.33	548.49

Notes:

- (a) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 – Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached.

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED

ZUBIN SHEKARY

Partner

Membership No.: 048814

Place : Gurgaon

Date : 30 May 2013

R. S. JAUHAR

CEO & Executive Director

Place : New Delhi

Date : 30 May 2013

P. S. JAUHAR

COO & Executive Director

PRAVEEN LAKHERA

Company Secretary &
Head-Legal

SHAKTI GOYAL

GM-Finance &
Material



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

NOTE NO. 1 CORPORATE INFORMATION

Jamna Auto Industries Limited (hereinafter referred to as 'the Company' or 'JAI') is a manufacturer of Tapered Leaf, Parabolic springs and Lift Axle. The Company's manufacturing facilities are located at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Lucknow and Hosur.

NOTE NO: 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) specified in the Companies (Accounting Standards) Rules, 2006 and presentational requirements of the Companies Act, 1956.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the result of operations during the year. Differences between actual results and estimates are recognized in the year in which the results are known or materialized examples of such estimates are estimated useful life of assets, classification of assets/liabilities as current or non-current in certain circumstances, provision for doubtful receivables and retirement benefits, etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Current-non-current classification

All assets and liabilities are classified into current and non-current

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A Liability is classified as current when it satisfies any of the following criteria;

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option, of the counter party, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's normal operating cycle is 12 months.

2.4 Fixed assets

Fixed assets are stated at cost or at revalued amounts less accumulated depreciation. Cost of fixed assets includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of qualifying assets, upto the date of commissioning of assets.

Foreign currency exchange differences to the extent covered under AS-11 are capitalized as per the policy stated in note 2.12 below.

2.5 Depreciation / amortization

Tangible

Leasehold land and cost of leasehold improvements are amortized over the period of lease or their useful lives, whichever is shorter.

Depreciation on other fixed assets is provided using the straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Fixed assets individually costing up to Rupees five thousand are depreciated at the rate of 100%.

Intangible

Intangible assets are being depreciated over a period of five year.

2.6 Impairment

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, had no impairment loss been recognized.

2.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

2.8 Investments

Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost less diminution, other than temporary in value.

2.9 Inventories

Stores and spares parts are valued at cost or under, computed on weighted average basis. Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Finished goods and work in progress include material cost and appropriate portion of manufacturing and other overheads. Cost is ascertained on a weighted average basis.

2.10 Revenue recognition

a) Sales of goods

Revenue from sale of products is recognized when the products are delivered against orders from customers in accordance with the contract terms, which coincides with the transfer of risks and rewards. Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

b) Dividend/Share of Profit from LLP

Dividend/Share of profit from LLP from investments is recognized when the right to receive dividend/share of profit is established.



c) Interest income

Interest income is recognized using the time-proportion method, based on interest rates implicit in the transaction.

d) Service income

Revenue from jobwork services is recognized on completion of services to be rendered.

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.12 Foreign exchange transactions and forward contracts

Foreign exchange transactions

- i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the Balance Sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.
- ii) In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", exchange differences arising in respect of long term foreign currency monetary items used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- iii) In case of foreign exchange forward contracts taken for underlying transactions, and covered by Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", the premium or discount is amortized as income or expense over the life of the contract. The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on the cancellation or renewal of such contracts is recognized as income or expense for the year.

2.13 Employee benefits

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) Post employment benefit

Defined contribution plan : The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognized in the Statement of Profit and Loss in the financial year to which they relate.

Defined benefit plan : The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

c) Other long-term employee benefits

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service or en-cashed at the time of retirement/ termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of an actuarial valuation carried out by an independent actuary at the year end.

2.14 Taxation

Income tax expense comprises current tax, deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent where there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date to reassess their realisability.

In accordance with the provisions of Section 115 JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.16 Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be a outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Company. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Cash and cash equivalent

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with banks with an original maturity of three months or less.

**NOTE NO: 3 SHARE CAPITAL**

	As At 31 March 2013	As At 31 March 2012
AUTHORISED SHARE CAPITAL		
63,886,500 (Previous year 63,886,500) equity shares of ₹10 each	6,388.65	6,388.65
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference shares of ₹100 each	350.00	350.00
Total	6,738.65	6,738.65
ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES		
Subscribed and fully paid (39,482,219 (Previous year 39,382,816) equity shares of ₹10 each)	3,948.22	3,938.28
Subscribed but not fully paid (30,645 (Previous year 30,645) equity shares of ₹10 each, amount called up ₹10 each)	3.06	3.06
Less: Call in arrears (Held by other than directors)	1.52	1.52
ISSUED, SUBSCRIBED AND FULLY PAID UP PREFERENCE SHARES		
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference share of ₹100 each	350.00	350.00
	4,299.71	4,289.77

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

	As At 31 March 2013		As At 31 March 2012	
	No. of shares	Amount (in ₹)	No. of shares	Amount (in ₹)
Equity shares-Subscribed and fully paid up				
At the beginning of the year	39,382,816	393,828,160	39,261,077	392,610,770
Add : Fresh allotment of share (ESOP) (Refer note 38)	99,403	994,030	121,739	1,217,390
Number of shares at the end of the year	39,482,219	394,822,190	39,382,816	393,828,160
Equity share-Subscribed but not fully paid up				
Number of shares at the beginning and end of the year	30,645	306,450	30,645	306,450
Preference shares				
Number of shares at the beginning and end of the year	350,000	35,000,000	350,000	35,000,000

b. Term and rights attached to equity shares

The Company has only one type of equity shares having par value of ₹10 each per share. All shares rank pari paasu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid. The Company pays and declares dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Terms and rights of preference shares including the terms of conversion/redemption

The preference shares were issued to IFCI Limited pursuant to the debt restructuring scheme entered between erstwhile Jai Parabolic Springs Limited and IFCI Limited in the year ended 31 March 2003. The redemption of preference share capital will be made in two equal installments of ₹175 each on 1 October 2013 and 1 October 2014. The preference shareholders are not entitled to any voting rights.

d. Details of shareholders holding more than 5% shares in the Company

	As At 31 March 2013		As At 31 March 2012	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹10 each fully paid				
Clearwater Capital Partners (Cyprus) Limited	9,614,147	24.35%	9,614,147	24.41%
Randeep Investment Private Limited	7,061,390	17.88%	7,061,390	17.93%
Map Auto Limited	4,624,711	11.71%	4,624,711	11.74%
NHK Springs Co. Limited, Japan	2,308,509	5.85%	2,308,509	5.86%
Preference shares of ₹100 each fully paid				
IFCI Limited	350,000	100%	350,000	100%

e. Shares reserved for issue under Options and contracts/commitments for the sale of shares/ disinvestment, including the terms and amounts

The Company provides shares based payment schemes to its employees. During the year ended 31 March 2013, an employee stock option scheme was in existence and 621,500 stock options (Previous year: 853,775) are eligible to be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 38 on employee stock option plan.

f. Forfeited shares (amount originally paid up, included in capital reserve)

	Number of shares	Amount	Number of shares	Amount
Equity share capital [28,190 (Previous Year 28,190) equity shares of ₹10 each, amount called up ₹10 each]	28,190	1.45	28,190	1.45
	28,190	1.45	28,190	1.45

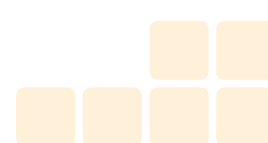
g. Share application money pending allotment

	As At 31 March 2013	As At 31 March 2012
Shares proposed to be issued (in numbers)	-	5,800
Fully paid up value of shares	-	0.58
Premium on shares proposed to be issued	-	2.14
	-	2.72

The share application money pending allotment included amount received from employees against the employee stock option plan. Such money was received between 23 February 2012 to 14 March 2012 and the corresponding shares were allotted in the Compensation Committee meeting held on 30 May 2012. No such application money is outstanding as at year ended 31 March 2013

NOTE NO: 4 RESERVES AND SURPLUS

	As At 31 March 2013	As At 31 March 2012
Capital reserve [refer note (a) below]	315.71	315.71
Capital redemption reserve	50.00	50.00
Securities premium account		
Balance as per the last financial statements	14,931.49	14,886.80
Add : Premium on issue of shares	37.61	44.69
Closing balance	14,969.10	14,931.49
Amalgamation reserve	1,481.46	1,481.46
General reserve		
Balance as per the last financial statements	4,136.25	3,707.84
Add : Amount transferred from the balance in the Statement of Profit and Loss	291.36	428.41



	As At 31 March 2013	As At 31 March 2012
Closing balance	4,427.61	4,136.25
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per the last financial statements	(9,532.58)	(11,283.92)
Add: Profit for the year	2,913.64	4,284.13
Less: Appropriations	-	-
Transferred to general reserve	291.36	428.41
Interim dividend paid [refer note (b) below]	-	787.58
Proposed equity dividend [refer note (c) below]	789.95	590.97
Final dividend paid	1.27	-
Proposed preference dividend [refer note 3(d)]	43.75	432.00
Tax on equity dividend	134.25	223.75
Tax on preference dividend	7.44	70.08
Net surplus/(deficit) in the Statement of Profit and Loss	(7,886.96)	(9,532.58)
Total Reserves and surplus	13,356.92	11,382.33

- (a) Includes ₹150 representing 10% of the issued price of 2,083,333 convertible warrants as application money received towards the subscription of such warrants by the promoters in erstwhile Jai Parabolic Springs Limited. Such application money was forfeited in accordance with SEBI guidelines on the expiry of 18 months from the date of issue. It includes ₹97 representing application money received towards the subscription of 1,343,210 convertible warrants allotted to MAP Auto Limited. Such application money was forfeited on 27 June 2007.
- (b) Interim dividend of ₹Nil (previous year ₹2) per equity share was declared during the year.
- (c) The Company has declared a final dividend of ₹2 (previous year ₹1.5) per share in the current year, subject to the approval of shareholders.
- (d) The Board of Directors have recommended preference dividend amounting to ₹43.75 relating to the year ended 31 March 2013 (Previous year: ₹432 relating to the period December 2002 to 31 March 2012) in the Board meeting held on 30 May 2013. The same is subject to approval of shareholders.

NOTE NO: 5 LONG TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Secured loans				
From banks				
- Term loans	1,274.00	960.06	1,948.62	751.32
- Working capital term loan	2,000.00	-	1,000.00	-
- Foreign currency term loans	-	3,525.51	-	1,750.00
- Vehicle loans	58.51	0.69	30.73	3.16
From others				
- Vehicle loans	-	14.70	-	16.43
- Term loans	-	570.00	429.00	380.00
	3,332.51	5,070.96	3,408.35	2,900.91
Unsecured:				
- Working capital term loan from bank	-	476.62	476.62	740.81
- Deferred sales tax loan	782.76	1,248.70	439.31	366.21
	782.76	1,725.32	915.93	1,107.02
Less: Amount disclosed under the head "other current liabilities" (note 11)	-	-	(4,324.28)	(4,007.93)
Net amount	4,115.27	6,796.28	-	-

Nature of security	Terms of repayment and rate of interest
Term loan from Banks	
(A) ICICI Bank Ltd (₹394.74 (previous year ₹921.06))	
(a) First pari passu charge on movable fixed assets (other than current assets) of the Malanpur (excluding one parabolic line of value not exceeding ₹350), Jamshedpur and Yamuna Nagar plants of the Company.	Repayment terms: 19 equal quarterly installments of ₹131.57 each commencing from 12 months from the date of first disbursement i.e. 30 June 2008 Rate of interest: The rate of interest shall be 2.55% per annum below the sum of ICICI Bank Benchmark advance rate ('IBAR') and six months term premia. The same shall be reset at the end of every six months from the date of disbursement based on then prevailing IBAR as on the reset date. The rate of interest varies from 15.75% to 16%.
(b) Second pari passu charge on movable fixed assets at Chennai plant of the Company.	
(c) Second pari passu charge on the current assets of the Company.	
(d) First pari passu charge by way of equitable mortgage in respect of the immovable properties located at Yamuna Nagar, Malanpur and Jamshedpur plants of the Company.	
(e) Second pari passu charge in respect of the immovable properties located at Chennai plants of the Company.	
(f) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 34 on related party).	
(g) Pledge of 1.52 lakhs shares of the promoters to be shared on pari passu basis with other participating banks/institutions. (Refer note 34 on related party).	
(B) ICICI Bank Ltd [₹1,188.87 (previous year ₹787.50)]	
(a) First pari passu charge with the other lenders on the movable fixed assets of the Company except at Chennai plant and on any asset exclusively charged to other lenders.	Repayment terms: 10 equal quarterly installments of ₹118.88 lakhs to be repaid by November 2015. Rate of interest: Rate of interest shall be sum of I-base and spread of 4.3% per annum, subject to minimum rate of I-base p.a. The rate of interest varies from 14.75% to 16.61% per annum
(b) First pari passu charge by way of equitable mortgage on immovable properties situated at Yamuna Nagar, Malanpur and Jamshedpur plants.	
(c) Second pari passu charge on the current assets of the Company.	
(d) Second pari passu charge with other lenders on the movable assets (other than current assets) of the Chennai plant.	
(e) Second pari passu mortgage charge with other lenders on immovable assets of Chennai plant.	
(f) Personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 34 of related party)	
(C) State Bank of India [₹3,750.12 (previous year ₹5,278.33)]	
(i) Capex loan ₹750.11 (previous year ₹2.20)	Capex term loan from State Bank of India 16 equal quarterly installments of ₹187.5 commencing from the end of moratorium period i.e. October 2011.
(ii) Working capital loan ₹3,000 (previous year ₹0.62)	
(a) First pari passu charge with the other lenders on the fixed assets of the Company except at Chennai plant and on any asset exclusively charged to other lenders.	Rate of interest: 4% above the base rate. The interest rate ranges from 13.36% to 13.95% per annum.
(b) Second pari passu charge with other lenders on the fixed assets of Chennai Plant.	
(c) Second pari passu charge with other lenders on the current assets of the Company.	
(d) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 34 of related party).	Working capital term loan from State Bank of India 10 quarterly installments, the first eight installments being ₹250 and the last being ₹500 each.
(e) Corporate guarantee of Jai Suspension Systems LLP. (Refer Note 34 on related party).	
Foreign currency term loan from bank During the year, foreign currency term loan of ₹3,460.28 was converted into Indian Rupees term loan.	Rate of interest: 4% per annum above the base rate. The interest rate ranges from 13.30% to 13.95% per annum. The loan is fully convertible into foreign currency term loans where the interest is 6.5% to 7.25% per annum above the six months LIBOR. The interest rate ranges from 7.80 % to 8.1% per annum.



(D)	Kotak Mahindra Bank [₹888.89 (previous year ₹Nil)]	
	(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar plants of the Company	Terms of repayment: 36 equal monthly installments of ₹27.78 each starting from the end of 1st month of first disbursement of term loan i.e December 2012 Rate of interest: The rate of interest is 12.5% per annum
	(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar plants of the Company.	
	(c) Second pari passu charge with other lenders on the movable assets (other than current assets) of the Chennai plant.	
	(d) Second pari passu mortgage charge with other lenders on immovable assets of Chennai plant.	
	(e) Second pari passu charge on the entire current assets of the Company.	
	(f) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director. (Refer note 34 of related party).	
(E) Working capital term loan [₹476.62 (Previous year : ₹1,217.43)]		
The working capital term loan from Kotak Mahindra Bank is an unsecured facility and shall be repaid in 24 equal installments of ₹70.96 and 25th installment of ₹71.05. The installment is inclusive of interest @ 12.5% per annum.		
	Term loan from others	
(F)	ICFI Limited [₹429.00 (previous year ₹950.00)]	Terms of repayment:
	(a) First pari passu charge on the immovable properties of the Chennai plant.	The quarterly repayment has commenced from 1 January 2011.
	(b) First pari passu charge on the whole of the movable including movable plant and machinery and other movable (except book debts) situated at Company's plant at Chennai.	The outstanding loan balance shall be payable in one quarterly installment of ₹141 and two quarterly installments of ₹144
	(c) Second pari passu charge on the immovable properties of the Company at Yamuna Nagar, Jamshedpur and Malanpur plants.	Rate of interest: The rate of interest is 20% per annum post 1 October 2010.
	(d) Second pari passu charge on the movable properties of the Company at Yamuna Nagar, Jamshedpur and Malanpur plants.	
	(e) Personal Guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 34 of related party).	

(G) Deferred sales tax loan [₹1,222.07 (previous year ₹1,614.91)]

As per the eligibility certificate issued, the Company is eligible for waiver of deferred sales tax repayable over the period from 1 March 2010 to 28 February 2019 and is unsecured and interest free.

(H) Vehicle loan [₹89.24 (previous year ₹34.98)]

Vehicle loans are secured by the hypothecation of the specific vehicles. The loans are repayable in equated monthly installments in accordance with terms and conditions of loan agreements with bank/others. The period of loan ranges from 3 to 5 years

NOTE 6: DEFERRED TAX LIABILITY (NET)

	As At 31 March 2013	As At 31 March 2012
Deferred tax liability		
Excess of depreciation/amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	1,969.39	1,722.32
Less : Deferred tax assets		
Brought forward losses as per tax laws	290.20	546.55
Provision for employee benefits	50.24	28.22
Expenses covered by section 43B of Income Tax Act 1961	70.78	27.63
Total	1,558.17	1,119.92

NOTE 7: OTHER LONG-TERM LIABILITIES

	As At 31 March 2013	As At 31 March 2012
Security deposit	7.02	7.02
Total	7.02	7.02

NOTE NO. 8: PROVISIONS

	Long term		Short term	
	As At 31 March 2013	As At 31 March 2012	As At 31 March 2013	As At 31 March 2012
Provision for employees benefits				
Provision for leave encashment	112.27	63.87	11.30	31.52
Provision for gratuity (Refer note no. 41)	122.85	78.10	24.94	8.87
	235.12	141.97	36.24	40.39
Other provisions				
Provision for proposed equity dividend	-	-	789.95	590.97
Provision for proposed preference dividend	-	-	43.75	432.00
Tax on proposed equity dividend	-	-	134.25	95.87
Tax on proposed preference dividend	-	-	7.44	70.08
Provision for income tax	-	-	744.85	554.85
	-	-	1,720.24	1,743.77
Total	235.12	141.97	1,756.48	1,784.16

NOTE NO: 9 SHORT TERM BORROWINGS

	As At 31 March 2013	As At 31 March 2012
Buyer's credit from bank#	922.41	794.35
Bill discounting facility from banks ^	1,976.23	3,995.34
Purchase order finance facility^	2,000.00	-
	4,898.64	4,789.69
Total above amount includes		
Secured borrowings #	922.41	794.35
Unsecured borrowings ^	3,976.23	3,995.34
Total	4,898.64	4,789.69



Buyer's credit is a part of the term loan facility from ICICI Bank and Kotak Mahindra Bank. For details of security, refer note 5 on security related to term loans from banks

The Company has not availed any fund based working capital facility from the consortium of banks. Details of security in respect of such facility are as follows :

Working capital

- (a) First pari passu charge on the entire current assets of the Company with other member banks of the consortium.
- (b) Second pari passu charge along with other consortium members over entire fixed assets of the Company, first charge being with the term lenders.
- (c) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 34 on related party) .
- (d) Corporate Guarantees of M/s Jai Suspension Systems LLP, M/s SW Farms Pvt. Ltd. (to the extent of shares pledged by them), M/s Randeep Investments Pvt. Ltd. (to the extent of shares pledged by them) and M/s B. S. Jauhar (HUF) (to the extent of shares pledged by them). (Refer note 34 on related party)
- e) First pari passu charge on 15 lakhs shares of the Company held by Promoters/Promoters group given as collateral securities for working capital with other working capital lenders.

NOTE NO: 10 TRADE PAYABLES

	As At 31 March 2013	As At 31 March 2012
Trade payables (including acceptances) (Refer to note (a) below)	19,596.36	21,484.27

NOTE NO: 11 OTHER CURRENT LIABILITIES

	As At 31 March 2013	As At 31 March 2012
Current maturities of long-term borrowing (Refer note 5)	4,324.28	4,007.93
Provision for mark to market forward exchange contracts	-	226.78
Interest accrued but not due on borrowings	65.76	39.36
Unclaimed dividends	57.07	74.45
Other payables		
Creditors towards fixed assets (Refer to note (a) below)	123.00	224.49
Statutory dues payable :		
Excise duty payable	148.24	300.11
Service tax payable	0.63	1.78
Sales tax payable	51.02	53.92
TDS payable	89.96	45.67
PF and ESI payable	37.46	26.64
Salaries, wages and bonus payable	366.52	201.28
Other payable	22.78	88.37
Total	5,286.72	5,290.78

Note (a) : Details of dues to micro and small enterprises defined under the MSMED Act, 2006

Based on the information presently available with the Company, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE NO: 12 (a) FIXED ASSETS

As at 31 March 2013

Particulars	Gross Block				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions during the year <small>(refer note 12(a)(iii))</small>	Sale/ adjustment during the year	As at 31 March 2013	As at 1 April 2012	Depreciation/ Amortisation charged for the year	Sale/ adjustment during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Tangible fixed assets										
Freehold land	1,304.77	1,641.32	-	2,946.09	-	-	-	2,946.09	1,304.77	
Leasehold land	81.23	706.28	-	787.51	14.48	11.37	-	761.66	66.75	
Factory building	4,413.45	1,102.80	10.23	5,506.02	1,048.15	148.14	4.51	4,314.24	3,365.30	
Office building	62.47	-	-	62.47	2.82	1.02	-	58.63	59.65	
Plant and machinery	23,526.61	7,223.30	949.59	29,800.32	12,174.28	1,940.90	869.02	16,554.16	11,352.33	
Furniture and fixtures	149.85	5.26	2.76	152.35	93.18	7.44	2.11	53.84	56.67	
Vehicles	410.67	125.24	48.27	487.64	180.10	38.96	30.81	299.39	230.57	
Office equipment	338.57	32.64	21.78	349.43	158.53	27.61	16.40	179.69	180.04	
Computer hardware	407.93	29.77	19.12	418.58	324.26	28.46	17.78	83.62	83.67	
Total	30,695.55	10,866.61	1,051.75	40,510.41	13,995.80	2,203.90	940.63	25,251.32	16,699.75	
Intangible fixed assets										
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-	-
Computer software	404.94	1.01	-	405.95	153.41	80.15	-	172.39	251.53	
Copyrights	3,497.58	-	-	3,497.58	2,676.53	536.23	-	284.82	821.05	
Total	4,823.54	1.01	-	4,824.55	3,750.96	616.38	-	457.21	1,072.58	
Grand Total	35,519.09	10,867.62	1,051.75	45,334.96	17,746.76	2,820.28	940.63	25,708.53	17,772.33	

As at 31 March 2012

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2011	Additions during the year (refer note 12 (a)(iii))	Sale/ adjustment during the year	As at 31 March 2012	As at 1 April 2011	Depreciation/ Amortisation charged for the year	Sales / adjustments during the year	As at 31 March 2012	As at 31 March 2011
Tangible fixed assets									
Freehold land	677.40	627.37	-	1,304.77	-	-	-	1,304.77	677.40
Leasehold land	81.23	-	-	81.23	-	14.48	-	66.75	81.23
Factory building	3,712.48	700.97	-	4,413.45	932.39	115.76	-	3,365.30	2,780.09
Office building	53.85	8.62	-	62.47	1.91	0.91	-	59.65	51.94
Plant and machinery	21,106.89	2,621.92	202.20	23,526.61	10,208.43	2,038.88	73.03	12,174.28	10,898.46
Furniture and fixtures	135.94	13.91	-	149.85	84.86	8.32	-	56.67	51.08
Vehicles	390.54	71.45	51.32	410.67	187.05	31.13	38.08	230.57	203.49
Office equipment	315.87	24.70	2.00	338.57	145.20	15.09	1.76	180.04	170.67
Computer hardware	380.98	29.83	2.88	407.93	298.29	28.17	2.20	83.67	82.69
Total	26,855.18	4,098.77	258.40	30,695.55	11,858.13	2,252.74	115.07	16,699.75	14,997.05
Intangible fixed assets									
Goodwill	921.02	-	-	921.02	826.42	94.60	-	921.02	94.60
Computer Software	264.88	140.06	-	404.94	95.67	57.74	-	251.53	169.21
Copyrights	3,497.58	-	-	3,497.58	1,921.34	755.19	-	821.05	1,576.24
(Refer note 12 (a)(i))									
Total	4,683.48	140.06	-	4,823.54	2,843.43	907.53	-	1,072.58	1,840.05
Grand Total	31,538.66	4,238.83	258.40	35,519.09	14,701.56	3,160.27	115.07	17,772.33	16,837.10

Notes

(i) During the year ended 31 March 2012, the management had re-assessed the classification of expenditure incurred in earlier years on development of design and prototypes for which the Company has obtained copyrights amounting to ₹3,497.58 (previous year: 3,497.58) (net of accumulated depreciation as at 31 March 2011: ₹1,921.34 (previous year ₹971.05)) and has correctly reclassified the same as part of Intangible Assets. Consequently, the amortisation charge of ₹755.19 (previous year ₹950.29) for the year ended 31 March 2012 has been included in depreciation. Such expenses were previously classified under deferred revenue expenditure.

(ii) Additions include directly attributable borrowing cost capitalised amounting to ₹132.88 for factory building (Previous year ₹62.05) and ₹1,075.47 for plant and machinery (previous year ₹288.94).

Note 12 (b): Capitalization of expenditure

During the year, the Company has capitalised the following expenses of revenue nature to Capital Work in Progress being expenditure attributable to fixed assets. Consequently, expenses disclosed under the respective notes are net of the amounts capitalised by the Company

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Finance cost	478.15	803.74
Salary, wages and bonus	118.75	240.85
Consumption of stores and consumables	391.30	253.28
Others expenses	133.52	320.62
Total	1121.72	1,618.49

NOTE NO: 13 INVESTMENTS

	Non -current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Long term non-trade investments (valued at cost)				
Investment in equity instruments (unquoted) *				
5,249,920 (previous year: 5,249,920) equity share of ₹10 each fully paid-up in NHK Spring Company India Limited	-	524.99	524.99	-
Investment in limited liability partnership				
99.9975% share in Jai Suspension Systems LLP	1,624.84	1,665.60	-	-
Total	1,624.84	2,190.59	524.99	-

* During the year, the Board of Director in their meeting held on 26 March 2013 decided to sell the shares held in NHK Spring Company India Limited. Consequently, such investment have been reclassified to current investment.

NOTE NO: 14 LOAN AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	Non -current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Capital advances	153.91	745.93	-	-
Security deposits	303.48	163.92	5.45	4.06
Advances recoverable in cash or in kind				
Advance to suppliers	41.52	-	705.89	411.56
Less :- Provision for doubtful advance	(41.52)	-	-	-
Net advance	-	-	705.89	411.56
Advance income tax	1,082.98	804.43	-	-
Minimum alternate tax credit	1,354.25	1,164.25	-	-
Prepaid expenses	0.27	0.44	83.31	19.72
Advance to employees	-	-	38.37	48.40
Balance with sales tax authorities	2.29	-	-	36.28
Balance with excise authorities	-	-	564.14	713.05
Other recoverable in cash or kind	45.50	3.47	62.03	21.12
	2,485.29	1,972.59	1,453.74	1,250.13
Total	2,942.68	2,882.44	1,459.19	1,254.19

NOTE NO: 15 OTHER ASSETS

	Non -current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Non current bank balances (Refer note 18)	9.88	9.75	-	-
Unamortised expenditure				
Unamortised premium on forward contract	-	-	-	197.00
Ancillary cost of arranging the borrowings	84.57	153.94	96.42	25.45
	84.57	153.94	96.42	222.45
Others				
Interest accrued on fixed deposits	10.70	34.28	4.01	-
Unbilled revenue	-	-	81.95	1,526.42
	10.70	34.28	85.96	1,526.42
Total	105.15	197.97	182.38	1,748.87

**NOTE NO: 16 INVENTORIES (VALUED AT THE LOWER OF THE COST AND NET REALISABLE VALUE)**

	As at 31 March 2013	As at 31 March 2012
Raw material and components [includes goods in transit: ₹739.50 (previous year: ₹97.78)]	3,839.16	4,991.45
Work-in-progress	4,385.51	3,007.55
Finished goods [includes goods in transit ₹645.75 (Previous year: 1,059.73)]	1,833.58	2,201.57
Stores and spares	835.70	642.82
Scrap	30.26	8.12
Total	10,924.21	10,851.51

NOTE NO: 17 TRADE RECEIVABLES (CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	As at 31 March 2013	As at 31 March 2012
- Outstanding over six months		
Unsecured, considered good	24.87	289.24
Unsecured, considered doubtful	10.09	110.00
	34.96	399.24
Less: Provision for doubtful debts	(10.09)	(110.00)
- Other receivables	9,577.86	10,417.53
Total	9,602.73	10,706.77
Trade receivables to related parties includes:		
Dues from Jai Suspension Systems LLP (refer note 34 on related parties)	3,614.67	2,760.22

NOTE NO: 18 CASH AND BANK BALANCES

	Non Current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Cash and cash equivalents				
Balance with banks	-	-		
On current account	-	-	441.02	540.54
Cash on hand	-	-	7.31	7.95
	-	-	448.33	548.49
Other bank balances				
Deposits with bank with more than 12 months#	9.88	9.75	-	-
Deposits with bank with more than 3 months and less than 12 months *	-	-	589.13	552.73
On unclaimed dividend account	-	-	57.07	74.45
Margin money deposits	-	-	15.93	20.67
Total	9.88	9.75	662.13	647.85
Amount disclosed under non current assets (Refer note 15)	(9.88)	(9.75)	-	-
Total	-	-	1,110.46	1,196.34

* Includes fixed deposit kept as margin money ₹520.82 (previous year ₹552.73)

Includes fixed deposit kept as margin money ₹5.83 (previous year ₹5.70)

NOTE NO: 19 REVENUE FROM OPERATIONS

	Year Ended 31 March 2013	Year Ended 31 March 2012
Sale of products-finished goods (Refer note 42) (#)	90,980.98	102,717.53
Sale of services (net of excise) (##)	913.67	1,342.52
Other operating revenue-Scrap sale	2,307.76	2,398.99
Revenue from operations (gross)	94,202.41	106,459.04
Less : Excise duty	10,179.57	9,715.67
Revenue from operations (net)	84,022.84	96,743.37
# Detail of product sold		
Leaf springs (conventional and parabolic)	90,405.45	102,717.53
Lift Axle	575.53	-
	90,980.98	102,717.53
## Detail of services rendered		
Job work	913.67	1,342.52
	913.67	1,342.52

NOTE NO: 20 OTHER INCOME

	Year Ended 31 March 2013	Year Ended 31 March 2012
Interest income on bank deposits	44.04	57.08
Share in profit of limited liability partnership	2,350.71	2,650.00
Excess provision written back	8.16	37.58
Miscellaneous income	147.91	85.03
	2,550.82	2,829.69

NOTE NO: 21 COST OF MATERIALS CONSUMED

	Year Ended 31 March 2013	Year Ended 31 March 2012
A. Cost of materials consumed		
Inventory at the beginning of the year	4,991.45	4,190.92
Add : Purchases	56,554.03	69,126.08
Less : Inventory at the end of the year	3,839.16	4,991.45
Cost of materials consumed	57,706.32	68,325.55
Detail of materials consumed		
Steel flats	54,032.81	64,518.00
Bushes	1,836.65	1,722.25
Clamps and others	1,836.86	2,085.30
Total	57,706.32	68,325.55
Detail of inventory		
Raw material and components		
Steel flats	2,806.49	4,139.58
Bushes	228.71	345.94
Clamps and others	803.96	505.93
	3,839.16	4,991.45

**NOTE NO: 22 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS**

	Year Ended 31 March 2013	Year Ended 31 March 2012
Inventories at the end of year		
- Finished goods	1,833.58	2,201.57
- Work in progress	4,385.51	3,007.55
- Scrap	30.26	8.12
Total	6,249.35	5,217.24
Inventories at the beginning of year		
- Finished goods	2,201.57	980.10
- Work in progress	3,007.55	2,150.68
- Scrap	8.12	22.75
Total	5,217.24	3,153.53
Decrease/ (increase) during the year before adjustment	(1,032.11)	(2,063.71)
Adjustment to decrease/ (increase) during the year (Refer note 42)	-	1,767.00
Decrease/ (increase) during the year	(1,032.11)	(296.71)
Detail of inventory		
Finished goods		
Leaf springs (conventional and parabolic)	1,793.44	2,201.57
Lift Axle	40.14	-
	1,833.58	2,201.57
Work-in-progress		
Leaf springs (conventional and parabolic)	4,357.13	3,007.55
Lift Axle	28.38	-
	4,385.51	3,007.55

NOTE NO: 23 EMPLOYEE BENEFITS EXPENSE

	Year Ended 31 March 2013	Year Ended 31 March 2012
Salaries, wages and bonus	4,686.08	4,158.73
Contribution to provident and other funds	233.45	205.09
Staff welfare expenses	262.85	246.64
Total	5,182.38	4,610.46

NOTE NO: 24 OTHER EXPENSES

		Year Ended 31 March 2013		Year Ended 31 March 2012
Consumption of stores and spare parts		2,944.83		3,443.98
Power and fuel		8,248.54		7,962.82
Job charges		773.27		293.26
Increase/(decrease) in excise on stocks of finished goods		(45.69)		153.65
Rent (Refer note 36)		136.08		125.71
Repairs to buildings		80.41		57.40
Repairs to machinery		93.97		129.03
Repairs to others		93.84		75.60
Rates and taxes, excluding taxes on income		58.65		44.14
Travelling and conveyance		395.00		212.86
Legal and professional fees (Refer note 33)		510.15		275.15
Loss on sale of assets (net)		6.53		55.60
Sundry balance written off		332.10		202.93
Provision for doubtful advance		41.52		
Provision for doubtful debts	110.00	-	217.74	
Less: Adjusted against bad debts written off	(110.00)	-	(217.74)	
Add: Provision recognised during the year	10.09	10.09	110.00	110.00
Bad debts written off		164.61		922.29
Freight forwarding and packing		1,215.47		1,542.32
Sales promotion and advertisement		387.07		250.83
Selling expenses		214.93		310.19
Donation		10.16		17.90
Exchange fluctuation loss (net)		135.38		169.85
Miscellaneous expenses		531.03		406.97
Total		16,337.94		16,762.48

NOTE NO: 25 FINANCE COSTS

	Year Ended 31 March 2013	Year Ended 31 March 2012
Interest	1,172.32	728.21
Interest others	-	30.87
Other borrowing cost	1,034.64	840.53
Total	2,206.96	1,599.61

NOTE NO: 26 DEPRECIATION AND AMORTISATION EXPENSE

	Year Ended 31 March 2013	Year Ended 31 March 2012
Depreciation on tangible assets	2,203.90	2,252.74
Amortisation on intangible assets	616.38	907.53
Total	2,820.28	3,160.27

Also refer to note 12

**NOTE NO: 27 CONTINGENT LIABILITY**

	As at 31 March 2013	As at 31 March 2012
Claims against Company not acknowledged as debts	704.96	892.95
Guarantee given by Company	-	7.89
Export Promotion of Capital Goods scheme	383.21	335.48
	1,088.17	1,236.32

NOTE NO: 28 COMMITMENTS

	As at 31 March 2013	As at 31 March 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	45.27	1,720.86
Lease Commitments (refer note 36 below)	12.07	40.05
	57.34	1,760.91

NOTE NO: 29 DIVIDEND REMITTED IN FOREIGN CURRENCY

	For the year ended 31 March 2013	For the year ended 31 March 2012
Number of non-resident shareholders	2.00	2.00
Number of equity shares held on which dividend was due	2,608,509	2,608,509
Amount remitted in foreign currency (equivalent INR)	39.13	78.26

NOTE NO: 30 VALUE OF IMPORT CALCULATED AT C.I.F BASIS

	For the year ended 31 March 2013	For the year ended 31 March 2012
Raw material	1248.31	243.93
Components and spare parts	354.00	3.98
Capital goods	684.46	2,266.62
	2,286.77	2,514.53

NOTE NO: 31 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Professional fee	153.11	395.38
Travelling	36.25	29.06
Royalty	25.64	-
	215.00	424.44

NOTE NO: 32 EARNING IN FOREIGN CURRENCY

	For the year ended 31 March 2013	For the year ended 31 March 2012
Export at F.O.B. value	504.36	328.59
	504.36	328.59

**NOTE NO: 33 PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX) ***

	For the year ended 31 March 2013	For the year ended 31 March 2012
As auditor		
- Audit fee #	13.5	9.00
- Limited review fees	16.00	12.75
As other capacity		
- Other services	2	1.00
Reimbursement of expenses	4.37	0.23
	35.87	22.98

* Includes ₹Nil (Previous year ₹0.75) paid to erstwhile auditors of the Company.

Includes ₹4.5 (Previous year ₹Nil) represent additional fees towards cost of overrun expenses in respect of audit for the year ended 31 March 2012.

NOTE NO: 34 RELATED PARTY DISCLOSURES**List of related parties****Enterprise in which the Company holds controlling interest**

Jai Suspension Systems LLP

Key managerial personnel and their relatives

Mr. B. S. Jauhar	Chairman
Mr. R. S. Jauhar	CEO and Executive Director
Mr. P. S. Jauhar	COO and Executive Director
Mr. S. P. S. Kohli	President and Executive Director
Mrs. Khem Kaur	Relative of key managerial personnel
Mrs. Sonia Jauhar	Relative of key managerial personnel
Mrs. Kiran Chadha	Relative of key managerial personnel

Entities over which key managerial personnel/ their relatives are able to exercise significant influence

Jamna Agro Implements Private Limited	Mrs. Khem Kaur
S.W. Farms Private Limited	Mr. R. S. Jauhar
Map Auto Limited	Mr. B. S. Jauhar
Winthrop Marketing	Mr. S. P. S. Kohli



a) Transactions with related parties

Transactions during the year	For the year ended 31 March 2013	For the year ended 31 March 2012
Sale of goods		
Jai Suspension Systems LLP	23,759.10	13,533.00
Sale of fixed assets		
Map Auto Ltd.	14.16	-
Services rendered-Job Work (including excise duty)		
Jai Suspension Systems LLP	1,193.76	1,628.05
Services received		
MAP Auto Limited - Freight and forwarding	679.94	1,166.14
Winthrop Marketing - Commission	12.20	13.02
Jamna Agro Implements Private Limited - Job work	56.22	77.73
Map Auto Ltd. - Job Work	82.78	-
Managerial remuneration		
Mr. R. S. Jauhar	122.71	104.70
Mr. P. S. Jauhar	111.28	83.76
Mr. S. P. S. Kohli	89.70	44.25
Remuneration to others		
Mrs. Kiran Chadha	21.83	18.15
Profit in share of profits of LLP		
Jai Suspension Systems LLP	2,350.71	2,650.00
Rent		
Mr. P. S. Jauhar	14.76	13.31
Mrs. Sonia Jauhar	27.95	25.21
S. W. Farms Private Limited	17.71	15.97
Rent Received		
MAP Auto Limited	1.95	1.86
Guarantee and collaterals		
Corporate guarantee given on behalf of Jai Suspension Systems LLP	2,000	2,000
Guarantee given by Jai Suspension Systems LLP on behalf of the Company	7,000	7,000
Personal guarantees given by promoters		
Mr. R. S. Jauhar	9,500	8,500
Mr. P. S. Jauhar	9,500	8,500

b) Balances with related parties:

Outstanding balances as at year end	As at 31 March 2013	As at 31 March 2012
Accounts receivables from related parties:		
Winthrop Marketing	0.40	
Jai Suspension Systems LLP	3,614.67	2,760.22
Accounts payable to related parties:		
MAP Auto Limited	94.73	96.20
Jamna Agro Implements Private Limited	9.37	26.53
Winthrop Marketing	-	1.04
Mr. R. S. Jauhar	5.06	-
Mr. P. S. Jauhar	4.82	-
Mr. S. P. S. Kohli	32.00	-
Guarantee and collaterals		
Guarantee given on behalf of Jai Suspension Systems LLP	5,000	3,000
Guarantee given by Jai Suspension Systems LLP on behalf of the Company	33,554	26,554
Personal guarantee given by promoters#		
Mr. B. S. Jauhar	3,932	3,932
Mr. R. S. Jauhar	42,854	33,354
Mr. P. S. Jauhar	46,786	37,286

(Actual outstanding loan/liabilities as on 31 March 2013 amounted to ₹27,453 (previous year: ₹30,629 against which guarantee has been provided)

Personal guarantee given by promoters in individual capacity to secure the same debt granted to Company by banks/financial institutions.

Pledge of shares by promoters (in numbers)		
Mr. B. S. Jauhar	34,224	34,224
B. S. Jauhar (HUF)	8,600	8,600
Mr. R. S. Jauhar	387,740	387,740
S. W. Farms Private Limited	340,000	340,000
Randeep Investment Private Limited	881,610	881,610

NOTE NO: 35 EARNING PER SHARE

	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit after tax	2,913.64	4,284.13
Less: Dividend on 12.5% optionally convertible cumulative preference shares for the year (including tax thereon)	51.19	50.85
Net profit for the period attributable to equity shares	2,862.45	4,233.28
Weighted average number of equity shares during the period in calculating basic EPS	39,479,325	39,390,460
Add: Potential equity shares - Stock options granted under ESOP	201,123	243,736
Weighted average number of equity shares during the period in calculating diluted EPS	39,680,448	39,634,196
Basic EPS	7.25	10.88
Diluted EPS	7.21	10.81

NOTE NO: 36 OBLIGATION ON LONG TERM NON-CANCELLABLE OPERATING LEASE

The Company has taken Lucknow plant space on operating lease. The lease rentals charged during the year in respect of cancellable and non cancellable operating leases and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in the agreement are as follows:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Lease rental expense	136.08	125.71



Total future minimum lease rental payable	As at 31 March 2013	As at 31 March 2012
Within one year	12.07	25.74
Later than one year and not later than five years	-	14.31
Later than five years	-	-
Total	12.07	40.05

NOTE NO: 37 SEGMENT INFORMATION**(a) Information about primary business segment**

The Company recognises 'Parabolic/ Tapered Leaf Spring/Lift axle' as its only primary segment since its operations consist of manufacturing of these products and related activities. Accordingly, 'Parabolic/ Tapered Leaf Spring' segment is the only segment comprising the primary basis of segmental information set out in these financial statements.

(b) Information on secondary/ geographical segment

The Company sells its products to various manufacturers within the country and also exports to other companies. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as two geographical segments. Information of geographical segment is based on the geographical location of the customers.

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Segment revenue		
Domestic	83,496.84	96,263.51
Overseas	526.00	479.86
Total	84,022.84	96,743.37
Segment assets	As at 31 March 2013	As at 31 March 2012
Domestic	54,955.78	57,000.61
Overseas	154.63	88.30
Total	55,110.41	57,088.91
Addition to fixed assets #		
Domestic	3,504.98	10,095.56
Total	3,504.98	10,095.56

The Company has common assets for producing goods for domestic market and overseas markets. Hence, separate figures for other assets/ additions to other assets cannot be furnished.

NOTE NO: 38 SHARE BASED COMPENSATION

- A** The Company has issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the Schemes are administered by the Compensation Committee constituted pursuant to SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. All the permanent employees of the Company and the subsidiaries, including Directors but excluding promoters of the Company are eligible to participate in the Schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

The stock option shall vest proportionately over the period of 5 years from the date of grant in the ratio of 15% for the first year, 20% for second to forth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issue at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the Company.

ESOP Scheme	Date of approval by shareholders	Number of options approved
ESOP Scheme-2006	25-Jan-07	314,000
ESOP Scheme-2008	01-Jul-08	Not more than 5% of the paid up equity shares capital of the Company as on 31 March 2012

Following stock options have been granted upto March 31 2013:

Date of Grant	Number of options granted	Exercise Price
ESOP Scheme-2006		
25-Jan-07	257,000	₹30.62
25-Aug-07	57,000	₹44.20
ESOP Scheme-2006		
08-Feb-08	867,461	₹54.95
05-Aug-10	361,250	₹120.65

B Summary of stock options

	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Number of stock option	Weighted average exercise price	Number of stock option	Weighted average exercise price
Options outstanding at the beginning of the year	853,775	67.43	1,074,764	64.14
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	132,872	63.87	99,250	57.16
Options exercised during the year	99,403	122.50	121,739	46.71
Options outstanding at the end of the year	621,500	71.33	853,775	67.43
Options exercisable at the end of the year	277,720	67.13	252,290	57.55

C Weighted average shares price on the date of exercise of the options is ₹122.50 (Previous year ₹112.16)

D Range of exercise price and weighted average remaining contractual life of stock options outstanding

For the year ended 31 March 2013			For the year ended 31 March 2012		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life (in years)	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life (in years)
10,725	30.62	0.63	44,825	30.62	1.2
1,500	44.20	0.98	4,518	44.20	1.7
450,075	54.95	3.10	624,832	54.95	4.03
159,200	120.65	3.60	179,600	120.65	4.3



E Weighted average fair value of options: The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-

	For the year ended 31 March 2013	For the year ended 31 March 2012
Risk free interest rate	*	*
Expected life	*	*
Expected Volatility(%)	*	*
Expected Dividend (%)	*	*
Price of underlying shares in the market at the time of option grant	*	*

* Not applicable since the Company has not granted stock options during the year.

F The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, to account for stock options issued under the Company's stock options schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.

There would be no impact on the profit or earnings per share had the Company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

NOTE NO: 39 IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED:

	For the year ended 31 March 2013		For the year ended 31 March 2012	
	% of total consumption	Value	% of total consumption	Value
Raw material and components				
Imported	2.85%	1,643.11	0.72%	493.91
Indigenous	97.15%	56,063.21	99.28%	67,831.64
	100.00%	57,706.32	100.00%	68,325.55
Spare parts				
Imported	0.99%	29.25	0.03%	1.18
Indigenous	99.01%	2,915.58	99.97%	3,442.80
	100.00%	2,944.83	100.00%	3,443.98

NOTE NO: 40 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Particulars of foreign currency forward contracts outstanding

	As at 31 March 2013			As at 31 March 2012	
	Currency	Amount in foreign currency (in lakhs)	Rupee equivalent	Amount in foreign currency (in lakhs)	Rupee in equivalent
Buy	USD	-	-	103.13	5,275.51

(b) Particulars of unhedged foreign currency exposure

	Currency	As at 31 March 2013		As at 31 March 2012	
		Amount in foreign currency (in lakhs)	Rupee equivalent	Amount in foreign currency (in lakhs)	Rupee equivalent
Trade receivables	USD	2.86	154.63	1.41	72.26
	GBP	-	-	0.19	15.36
	JPY	-	-	1.09	0.68
Trade payables	USD	21.20	1,146.60	0.03	1.63
	EURO	0.50	34.81	2.02	137.26
	JPY	104.52	60.40	30.10	17.36
Short term borrowings	EURO	8.62	599.43	11.70	794.35
	JPY	559.18	322.98	-	-

NOTE NO: 41 EMPLOYEE BENEFITS

- i) The details of retirement benefits with regard to provision/ charge for the year on account of gratuity, which is in the nature of defined benefit, are as under:

Balance Sheet

	As at 31 March 2013	As at 31 March 2012
Changes in the present value of the defined benefit obligation are as follows:		
Obligations at the beginning of the year	302.86	210.56
Service Cost	38.03	32.91
Interest Cost	25.74	17.90
Actuarial (gain)/loss	16.17	47.24
Benefits paid	(26.29)	(5.75)
Obligations at the end of the year	356.51	302.86
Changes in the fair value of the plan assets are as follows:		
Fair value of planned assets at the beginning of the year	215.89	142.92
Expected return on plan assets	19.97	12.86
Contributions	0.03	42.27
Benefits paid	(26.29)	(5.75)
Actuarial gain / (loss) on planned assets	(0.89)	23.59
Fair value of planned assets at the end of the year	208.72	215.89
Net liability recognized	147.79	86.97
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		
Current service cost	38.03	32.91
Interest cost on obligation	25.74	17.90
Expected return on planned assets	(19.97)	(12.86)
Net actuarial (gain) /losses	17.06	23.65
Net expense to be recognised	60.86	61.60
Assumptions used in accounting for the gratuity plan		
Discount rate	8.50%	8.50%
Expected rate of salary increase	6.00%	6.00%
Expected rate of return on planned assets	9.25%	9.25%
Normal retirement age	58 years	58 years

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors.

**Experience adjustments:**

The disclosure relating to experience adjustments have not given in the financial statements, the management is of the view that the same will not be material to the overall financial statement disclosure and presentation.

NOTE NO: 42

Until 31 March 2011, Company was recognising revenue on dispatch of material to customers from factory gate. The Company had refined its revenue recognition policy in the year ended 31 March 2012 to recognise revenue on transfer of significant risk and rewards to customers coinciding with the time of delivery. The impact of correction on previous year ended 31 March 2012 is as given below and formed part of the adjustments related to prior period expenditure in the previous year:

Prior period effect of revenue reversal as on 31 March 2011 having an impact on the year ended 31 March 2012

	Account head	As per Audited financial statements for the year ended 31 March 2011	As per Performa financial statements for the year ended 31 March 2011	Effect of the adjustments in the year ended 31 March 2012
A	Revenue *	81,033.00	79,128.00	1,905.00
B	Decrease/ (Increase) in stock #	127.00	(1,640.00)	1,767.00
	Profit after tax ##			138.00

* In the year ended 31 March 2011, revenue amounting to ₹1,905 had been recognised on the basis of dispatch of goods to its customers, however the goods were actually delivered in the year ended 31 March 2012. As a consequence, revenue relating to the year ended 31 March 2011 was adjusted in the financial statements.

As explained above, the consequential impact of finished goods in transit amounting to ₹1,767.00 relating to those goods that had not been delivered as on 31 March 2011 had been adjusted to the Changes in inventory of finished goods in the current year financial statements.

The cumulative effect of the above on the profit after tax amounting to ₹138.00 has been disclosed as a prior year expenditure in previous year.

NOTE NO: 43

The Company is in the process of establishing a comprehensive system of maintenance of information and documents of specified domestic transactions as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act, 1961, The Company expects such records to be in existence latest by 30 November 2013. The management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

As per our report of even date

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED

ZUBIN SHEKARY

Partner

Membership No.: 048814

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

PRAVEEN LAKHERA

Company Secretary &
Head-Legal

SHAKTI GOYAL

GM-Finance &
Material

Place : Gurgaon

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Jamna Auto Industries Limited

1. Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of Jamna Auto Industries Limited and Jai Suspension Systems LLP ('the LLP'), a limited liability partnership in which the Company holds more than 99.99% of controlling interest (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2013 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement (collectively referred to as 'consolidated financial statements') for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Managements' 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 Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls 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.

3. Auditors' 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 auditors' 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 controls

relevant to the Group's preparation and fair 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. 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.

4. Opinion

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:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

5. Other matter

We did not audit the financial statements of the LLP, whose financial statements reflect total assets (net) of ₹10,983 lakhs (18%) as at 31 March 2013, total revenue of ₹36,046 lakhs (37%) positive net cash flows amounting to ₹61.19 lakhs for the year then ended. These financial statements have been audited by another auditor whose report has been furnished to us by the management, and our opinion, insofar as it relates to the amounts included in respect of the entity, is based solely on the report of another auditor. Our opinion is not qualified in respect of this matter.

For **BSR & Co.**
Chartered Accountants
Firm registration number: 101248W

Place: Gurgaon
Date: 30 May 2013

Zubin Shekary
Partner
Membership No.: 048814



CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

	Note	As At 31 March 2013	As At 31 March 2012
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	4,299.71	4,289.77
(b) Reserves and surplus	4	13,150.33	11,316.80
		17,450.04	15,606.57
2 Share application money pending allotment	3(g)	-	2.72
3 Minority interest		0.18	0.12
4 Non-current liabilities			
(a) Long-term borrowings	5	4,187.88	6,846.83
(b) Deferred tax liabilities (net)	6	1,583.83	1,150.89
(c) Other long-term liabilities	7	80.72	77.27
(d) Long-term provisions	8	260.64	161.43
		6,113.07	8,236.42
5 Current liabilities			
(a) Short-term borrowings	9	8,059.36	7,404.52
(b) Trade payables	10	20,947.08	23,861.21
(c) Other current liabilities	11	5,818.12	5,793.04
(d) Short-term provisions	8	2,229.73	2,318.89
		37,054.29	39,377.66
TOTAL		60,617.58	63,223.50
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12(a)	26,079.24	17,447.40
(ii) Intangible assets	12(a)	457.74	1,072.95
(iii) Capital work-in-progress	12(b)	1,717.63	8,853.24
		28,254.61	27,373.59
(b) Non current investments	13		524.99
(c) Long-term loans and advances	14	4,521.88	4,096.37
(d) Other non-current assets	15	106.28	199.42
		4,628.16	4,820.78
2 Current assets			
(a) Current investments	13	524.99	-
(b) Inventories	16	13,164.70	13,633.61
(c) Trade receivables	17	10,685.66	12,879.51
(d) Cash and bank balances	18	1,481.13	1,506.03
(e) Short-term loans and advances	14	1,725.32	1,287.74
(f) Other current assets	15	153.01	1,722.24
		27,734.81	31,029.13
TOTAL		60,617.58	63,223.50
Summary of significant accounting policies	2	-	-
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED**ZUBIN SHEKARY**

Partner

Membership No.: 048814

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

PRAVEEN LAKHERACompany Secretary &
Head-Legal**SHAKTI GOYAL**GM-Finance &
Material

Place : Gurgaon

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
Income			
I Revenue from operations (gross)	19	105,575.80	120,427.28
Less : Excise duty		7,560.67	8,462.05
Revenue from operations (net)		98,015.13	111,965.23
II Other income	20	234.34	197.34
III Total revenue		98,249.47	112,162.57
IV Expenses			
Cost of materials consumed	21	65,564.40	77,888.06
Change in inventories of finished goods and work in progress	22	(1,102.97)	(883.39)
Employee benefit expenses	23	6,014.29	5,229.49
Other expenses	24	18,989.51	19,359.80
Total expenses		89,465.23	101,593.96
V Profit before finance costs, depreciation/amortisation cost and exceptional items		8,784.24	10,568.61
VI Finance costs	25	2,674.03	1,881.64
VII Depreciation and amortisation expenses	26	2,894.76	3,215.02
VIII Profit before exceptional items and tax		3,215.45	5,471.95
Prior period items/ adjustments		-	349.82
Profit before tax		3,215.45	5,122.13
Tax expense			
Current tax		635.74	1,067.03
Less : Minimum alternate tax credit entitlement		(623.01)	(1,059.00)
Income tax adjustments (Net)		(2.87)	-
Deferred tax charge		432.95	895.27
Profit for the year		2,772.64	4,218.83
Earnings per equity share (par value ₹10 per share)			
Basic earnings per share	28	6.89	10.71
Diluted earnings per share	28	6.86	10.64
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED

ZUBIN SHEKARY

Partner

Membership No.: 048814

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

PRAVEEN LAKHERA

Company Secretary &
Head-Legal

SHAKTI GOYAL

GM-Finance &
Material

Place : Gurgaon

Date : 30 May 2013

Place : New Delhi

Date : 30 May 2013



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

	Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
A.	Cash flow from operating activities		
	Profit before tax	3,215.45	5,122.13
	Adjustments for:		
	Depreciation	2,894.76	3,215.02
	Loss on sale of fixed assets	9.30	55.60
	Finance costs	2,674.03	1,857.92
	Interest income from fixed deposits	(73.50)	(66.26)
	Excess provision no longer required written back	(8.16)	(37.58)
	Provision for doubtful debts	10.09	110.00
	Provision for doubtful advance	41.52	-
	Bad debts written off	169.30	922.29
	Sundry balance written off	332.18	202.96
	Amortization of ancillary cost of arranging the borrowings	21.87	24.00
	Exchange fluctuation loss - mark to market on forward exchange contracts	(226.78)	-
	Exchange fluctuation loss - Unamortized premium on forward contract	197.00	-
	Operating profit before working capital changes	9,257.06	11,406.08
	Changes in operating assets and liabilities:		
	Increase/(decrease) in provisions	99.63	13.97
	Increase/(decrease) in trade payables	(2,905.97)	2,141.94
	Increase/(decrease) in other liabilities	40.48	254.86
	(Increase)/decrease in trade receivables	2,014.46	(803.04)
	(Increase)/decrease in inventories	468.91	(2,971.42)
	(Increase)/decrease in other assets	1,447.21	(520.60)
	(Increase)/decrease in loans and advances	(1,126.96)	(599.64)
	Cash generated from operations	9,294.82	8,922.15
	Direct taxes paid	(620.78)	(1,807.29)
	Net cash generated from operations	8,674.04	7,114.86
B.	Cash flow from investing activities		
	Purchase of fixed assets	(3,419.27)	(8,654.63)
	Proceeds from sale of fixed asset	114.31	87.73
	Movement in fixed deposit	(26.40)	(76.30)
	Interest received	92.54	44.91
	Net cash used from investing activities	(3,238.82)	(8,598.29)
C.	Cash flow from financing activities		
	Proceeds from issue of share (including share premium)	44.83	58.74
	Dividend paid (including dividend distribution tax)	(1,190.19)	(1,372.12)
	Proceeds from long term borrowings	2,031.55	6,277.49
	Repayment of long term borrowings	(4,340.33)	(1,942.20)
	Short term borrowings (net)	654.84	153.76
	Payment of finance costs	(2,670.56)	(1,828.08)



Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Net cash from financing activities	(5,469.86)	1,347.59
Net increase in cash and cash equivalents	(34.64)	(135.84)
Opening cash and cash equivalents (excluding unclaimed dividend account)	832.35	968.19
Closing cash and cash equivalents	797.71	832.35
Cash and cash equivalent comprises of:		
Cash in hand	10.09	11.06
Balances with scheduled banks (excluding unclaimed dividend account)	787.62	821.29
(Refer note 18)	797.71	832.35

Notes:

- (a) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 – Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED

ZUBIN SHEKARY

Partner

Membership No.: 048814

Place : Gurgaon

Date : 30 May 2013

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

Place : New Delhi

Date : 30 May 2013

PRAVEEN LAKHERA

Company Secretary &
Head-Legal

SHAKTI GOYAL

GM-Finance &
Material



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

(ALL AMOUNTS IN RUPEES LAKHS, UNLESS OTHERWISE STATED)

NOTE NO: 1 CORPORATE INFORMATION

Jamna Auto Industries Limited (hereinafter referred to as 'the Company' or 'JAI') is a manufacturer of Tapered Leaf, Parabolic Springs and Lift Axle. The Company's manufacturing facilities are located at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Lucknow and Hosur. The Company has more than 99.99% investment in Jai Suspension Systems LLP ('the LLP') which is incorporated in India.

NOTE NO: 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and consolidation

The consolidated financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) specified in the Companies (Accounting Standards) Rules, 2006 and presentational requirements of the Companies Act, 1956.

Principles of consolidation

- a) The consolidated financial statements relate to the Company and the LLP, collectively known as "the Group" both being incorporated in India. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements" as specified in the Companies (Accounting Standard) Rules, 2006.
- b) The consolidated financial statements have been prepared on the following basis:
 - i) The consolidated financial statements of the Company have been combined on a line-by-line basis by adding the book values of all items of assets, liabilities, incomes and expenses after eliminating intra-group balances/ transactions and unrealized profits in full. The amount shown in respect of reserves comprises the amount of relevant reserves as per the Balance Sheet of the Company and its shares of the profits in the LLP.
 - ii) Consolidated financial statements are prepared by using uniform accounting policies for significant transaction and other events in similar circumstances. The financial statements of the LLP are adjusted for the accounting principles and policies followed by the Company.
 - iii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the result of operations during the year. Differences between actual results and estimates are recognized in the year in which the results are known or materialized. Examples of such estimates are estimated useful life of assets, classification of assets/liabilities as current or non-current in certain circumstances, provision for doubtful receivables and retirement benefits, etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Current-non-current classification

All assets and liabilities are classified into current and non-current

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

A Liability is classified as current when it satisfies any of the following criteria;

- (a) it is expected to be settled in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option, of the counter party, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Group's normal operating cycle is 12 months.

2.4 Fixed assets

Fixed assets are stated at cost or at revalued amounts less accumulated depreciation. Cost of fixed assets includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of qualifying assets, upto the date of commissioning of assets.

Foreign currency exchange differences to the extent covered under AS-11 are capitalized as per the policy stated in note 2.12.

2.5 Depreciation / Amortization

Tangible

Leasehold land and cost of leasehold improvements are amortized over the period of lease or their useful lives, whichever is shorter.

Depreciation on other fixed assets is provided using the straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Fixed assets individually costing up to Rupees five thousand are depreciated at the rate of 100 percent.

Intangible

Intangible assets are being depreciated over a period of five year.

2.6 Impairment

The carrying amounts of the Group's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, had no impairment loss been recognized.

2.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

2.8 Investments

Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost less diminution, other than temporary in value.



2.9 Inventories

Stores and spares parts are valued at cost or under, computed on weighted average basis

Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Finished goods and work in progress include material cost and appropriate portion of manufacturing and other overheads. Cost is ascertained on a weighted average basis.

2.10 Revenue recognition

a) Sales of goods

Revenue from sale of products is recognized when the products are delivered against orders from customers in accordance with the contract terms, which coincides with the transfer of risks and rewards. Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

b) Interest income

Interest income is recognized using the time-proportion method, based on interest rates implicit in the transaction.

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.12 Foreign exchange transactions and forward contracts

Foreign exchange transactions

- i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the Balance Sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.
- ii) In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", exchange differences arising in respect of long term foreign currency monetary items used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- iii) In case of foreign exchange forward contracts taken for underlying transactions, and covered by Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", the premium or discount is amortized as income or expense over the life of the contract. The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on the cancellation or renewal of such contracts is recognised as income or expense for the year.

2.13 Employee benefits

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) Post employment benefit

Defined contribution plan : The Group deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognized in the Statement of Profit and Loss in the financial year to which they relate.
Defined benefit plan : The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such

defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

c) Other long-term employee benefits

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service or en-cashed at the time of retirement/ termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

2.14 Taxation

Income tax expense comprises current tax, deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantively enacted on the Balance Sheet date. Deferred tax assets are recognized only to the extent where there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date to reassess their realisability.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Group is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Group will pay normal tax during the specified period.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.16 Provisions and contingent liabilities

The Group recognizes a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be a outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Group. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Cash and cash equivalent

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with banks with an original maturity of three months or less.

**NOTE NO: 3 SHARE CAPITAL**

	As At 31 March 2013	As At 31 March 2012
AUTHORISED SHARE CAPITAL		
63,886,500 (Previous year 63,886,500) equity shares of ₹10 each	6,388.65	6,388.65
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference shares of ₹100 each	350.00	350.00
Total	6,738.65	6,738.65
ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES		
Subscribed and fully paid (39,482,219 (Previous year 39,382,816) equity shares of ₹10 each)	3,948.22	3,938.28
Subscribed but not fully paid (30,645 (Previous year 30,645) equity shares of ₹10 each, amount called up ₹10 each)	3.06	3.06
Less: Call in arrears (Held by other than directors)	1.52	1.52
ISSUED, SUBSCRIBED AND FULLY PAID UP PREFERENCE SHARES		
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference share of ₹100 each	350.00	350.00
	4,299.71	4,289.77

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

	As At 31 March 2013		As At 31 March 2012	
	No. of shares	Amount (in ₹)	No. of shares	Amount (in ₹)
Equity shares - Subscribed and fully paid up				
At the beginning of the year	39,382,816	393,828,160	39,261,077	392,610,770
Add : Fresh allotment of shares (ESOP) (Refer note 31)	99,403	994,030	121,739	1,217,390
Number of shares at the end of the year	39,482,219	394,822,190	39,382,816	393,828,160
Equity shares - Subscribed but not fully paid up				
Number of shares at the beginning and end of the year	30,645	306,450	30,645	306,450
Preference shares				
Number of shares at the beginning and end of the year	350,000	35,000,000	350,000	35,000,000

b. Term and rights attached to equity shares

The Company has only one type of equity shares having par value of ₹10 each per share. All shares rank paripaasu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid. The Company pays and declares dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Terms and rights of preference shares including the terms of conversion/redemption

The preference shares were issued to IFCI Limited pursuant to the debt restructuring scheme entered between erstwhile Jai Parabolic Springs Limited and IFCI Limited in the year ended 31 March 2003. The redemption of preference share capital will be made in two equal installments of ₹175 each on 1 October 2013 and 1 October 2014. The preference shareholders are not entitled to any voting rights.

d. Details of shareholders holding more than 5% shares in the Company

	As At 31 March 2013		As At 31 March 2012	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹10 each fully paid				
Clearwater Capital Partners (Cyprus) Limited	9,614,147	24.35%	9,614,147	24.41%
Randeep Investment Private Limited	7,061,390	17.88%	7,061,390	17.93%
Map Auto Limited	4,624,711	11.71%	4,624,711	11.74%
NHK Springs Co. Limited, Japan	2,308,509	5.85%	2,308,509	5.86%
Preference shares of ₹100 each fully paid				
IFCI Limited	350,000	100%	350,000	100%

e. Shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment, including the terms and amounts

The Company provides shares based payment schemes to its employees. During the year ended 31 March 2013, an employee stock option scheme was in existence and 621,500 stock options (Previous year: 853,775) are eligible to be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 31 on employee stock option plan.

f. Forfeited shares (amount originally paid up, included in capital reserve)

	Number of shares	Amount	Number of shares	Amount
Equity share capital [28,190 (Previous year 28,190) equity shares of ₹10 each, amount called up ₹10 each]	28,190	1.45	28,190	1.45
	28,190	1.45	28,190	1.45

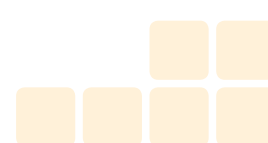
g. Share application money pending allotment

	As At 31 March 2013	As At 31 March 2012
Shares proposed to be issued (in numbers)	-	5,800
Fully paid up value of shares	-	0.58
Premium on shares proposed to be issued	-	2.14
	-	2.72

The share application money pending allotment included amount received from employees against the employee stock option plan. Such money was received between 23 February 2012 to 14 March 2012 and the corresponding shares have been allotted in the compensation committee meeting held on 30 May 2012. No such application money is outstanding as at year ended 31 March 2013

NOTE NO: 4 RESERVES AND SURPLUS

	As At 31 March 2013	As At 31 March 2012
Capital reserve (refer note (a) below)	315.71	315.71
Capital redemption reserve	50.00	50.00
Securities premium account		
Balance as per the last consolidated financial statements	14,931.49	14,886.80
Add : Premium on issue of shares	37.61	44.69
Closing balance	14,969.10	14,931.49
Amalgamation reserve	1,481.46	1,481.46
General reserve		
Balance as per the last consolidated financial statements	4,136.25	3,707.84
Add : Amount transferred from the balance in the Consolidated Statement of Profit and Loss	291.36	428.41



	As At 31 March 2013	As At 31 March 2012
Closing balance	4,427.61	4,136.25
Surplus/(deficit) in the Consolidated Statement of Profit and Loss		
Balance as per the last consolidated financial statements	(9,598.11)	(11,284.08)
Add: Profit for the year	2,772.64	4,218.82
Transferred to general reserve	291.36	428.41
Minority interest	0.06	0.07
Interim dividend paid (refer note (b) below)	-	787.58
Final dividend	1.27	-
Proposed equity dividend [refer note 3(c) below]	789.95	590.97
Proposed preference dividend [refer note 3(d)]	43.75	432.00
Tax on equity dividend	134.25	223.75
Tax on preference dividend	7.44	70.08
Net surplus/(deficit) in the Consolidated Statement of Profit and Loss	(8,093.55)	(9,598.11)
Total Reserves and surplus	13,150.33	11,316.80

- (a) Includes ₹150 representing 10% of the issued price of 2,083,333 convertible warrants as application money received towards the subscription of such warrants by the promoters in erstwhile Jai Parabolic Springs Limited. Such application money was forfeited in accordance with SEBI guidelines on the expiry of 18 months from the date of issue. It includes ₹97 representing application money received towards the subscription of 1,343,210 convertible warrants allotted to MAP Auto Limited. Such application money was forfeited on 27 June, 2007.
- (b) Interim dividend of ₹ Nil (previous year ₹2) per equity share was declared during the year.
- (c) The Company has declared a final dividend of ₹2 per share (previous year ₹1.5) in the current year, subject to the approval of shareholders.
- d) The Board of Directors have recommended preference dividend amounting to ₹43.75 relating to the year ended 31 March 2013 (Previous year: ₹432 relating to the period December 2002 to 31 March 2012) in the Board meeting held on 30 May 2013. The same is subject to approval to shareholders.

NOTE NO: 5 LONG TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Secured loans				
From Banks				
- Term loans	1,274.00	960.06	1,948.62	751.32
- Working capital term loan	2,000.00	-	1,000.00	-
- Foreign currency term loans	-	3,525.51	-	1,750.00
- Vehicle loans	131.12	32.95	78.46	11.18
From Others	-		-	
- Vehicle loans	-	32.99	-	22.31
- Term loans	-	570.00	429.00	380.00
	3,405.12	5,121.51	3,456.08	2,914.81
Unsecured:				
- Working capital term loan from bank	-	476.62	476.62	740.81
- Deferred sales tax loan	782.76	1,248.70	439.31	366.21
	782.76	1,725.32	915.93	1,107.02
Less: Amount disclosed under the head "other current liabilities" (refer note 11)	-	-	(4,372.01)	(4,021.83)
Net amount	4,187.88	6,846.83	-	-

Nature of security	Terms of repayment and rate of interest
Term loan from Banks	
(A) ICICI Bank Ltd (₹394.74 (previous year ₹921.06))	
(a) First pari passu charge on movable fixed assets (other than current assets) of the Malanpur (excluding one parabolic line of value not exceeding ₹350), Jamshedpur and Yamuna Nagar plants of the Company.	Repayment terms: 19 equal quarterly installments of ₹131.57 each commencing from 12 months from the date of first disbursement i.e. 30 June, 2008
(b) Second pari passu charge on movable fixed assets at Chennai plant of the Company.	
(c) Second pari passu charge on the current assets of the Company.	Rate of interest:
(d) First pari passu charge by way of equitable mortgage in respect of the immovable properties located at Yamuna Nagar, Malanpur and Jamshedpur plants of the Company.	The rate of interest shall be 2.55% per annum below the sum of ICICI Bank Benchmark advance rate ('IBAR') and six months term premia. The same shall be reset at the end of every six months from the date of disbursement based on then prevailing IBAR as on the reset date. The rate of interest varies from 15.75% to 16%.
(e) Second pari passu charge in respect of the immovable properties located at Chennai plants of the Company	
(f) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 27 on related party).	
(g) Pledge of 1.52 lakhs shares of the promoters to be shared on pari passu basis with other participating banks/institutions. (Refer note 27 on related party).	
(B) ICICI Bank Ltd (₹1,188.87 (previous year ₹787.50))	
(a) First pari passu charge with the other lenders on the movable fixed assets of the Company except at Chennai plant and on any asset exclusively charged to other lenders.	Repayment terms: 10 equal quarterly installments of ₹118.88 lakhs to be repaid by November, 2015.
(b) First pari passu charge by way of equitable mortgage on immovable properties situated at Yamuna Nagar, Malanpur and Jamshedpur plants.	Rate of interest:
(c) Second pari passu charge on the current assets of the Company.	Rate of interest shall be sum of I-base and spread of
(d) Second pari passu charge with other lenders on the movable assets (other than current assets) of the Chennai plant.	4.3% per annum, subject to minimum rate of I-base p.a.
(e) Second pari passu mortgage charge with other lenders on immovable assets of Chennai plant.	The rate of interest varies from 14.75% to 16.61% per annum
(f) Personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 27 of related party)	
(C) State Bank of India (₹3,750.12 (previous year ₹5,278.33))	
(i) Capex loan ₹750.11 (previous year ₹2.20)	Capex term loan from State Bank of India
(ii) Working capital loan ₹3,000 (previous year ₹0.62)	
(a) First pari passu charge with the other lenders on the fixed assets of the Company except at Chennai plant and on any asset exclusively charged to other lenders.	16 equal quarterly installments of ₹187.5 commencing from the end of moratorium period i.e. October, 2011 Rate of interest: 4% above the base rate. The interest rate ranges from 13.36% to 13.95% per annum.
(b) Second pari passu charge with other lenders on the fixed assets of Chennai Plant of the Company.	
(c) Second pari passu charge with other lenders on the current assets of the Company.	Working capital term loan from State Bank of India
(d) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 27 on related party)	10 quarterly installments, the first eight installments being ₹250 and the last being ₹500 each. Rate of interest: 4% per annum above the base rate. The interest rate ranges from 13.30% to 13.95% per annum
(e) Corporate guarantee of Jai Suspension Systems LLP. (Refer note 27 on related party)	The loan is fully convertible into foreign currency term loans where the interest is 6.5% to 7.25% per annum above the six months LIBOR. The interest rate ranges from 7.80 % to 8.1% per annum
Foreign currency term loan from bank During the year, foreign currency term loan of ₹3,460.28 was converted into Indian Rupees term loan.	



(D)	Kotak Mahindra Bank (₹888.89 (previous year ₹ Nil))	
(a)	First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar plants of the Company.	Terms of repayment: 36 equal monthly installments of ₹27.78 each starting from the end of 1st month of first disbursement of term loan i.e December 2012 Rate of interest: The rate of interest is 12.5% per annum
(b)	First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar plants of the Company.	
(c)	Second pari passu charge with other lenders on the movable assets (other than current assets) of the Chennai plant.	
(d)	Second pari passu mortgage charge with other lenders on immovable assets of Chennai plant.	
(e)	Second pari passu charge on the entire current assets of the Company.	
(f)	Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director. (Refer note 27 of related party).	

(E) Working capital term loan (₹476.62 (previous year ₹1,217.43))

The working capital term loan from Kotak Mahindra Bank is an unsecured facility and shall be repaid in 24 equal installments of ₹70.96 and 25th installment of ₹71.05. The installment is inclusive of interest @ 12.5% per annum.

Term loan from others	
(F) IFCI Limited (₹429.00 (previous year ₹950.00))	
(a) First pari passu charge on the immovable properties of the Chennai plant.	Terms of repayment: The quarterly repayment has commenced from 1 January, 2011 The outstanding loan balance shall be payable in one quarterly installment of ₹141 and two quarterly installments of ₹144 Rate of interest: The rate of interest is 20% per annum post 1 October, 2010.
(b) First pari passu charge on the whole of the movable including movable plant and machinery and other movable (except book debts) situated at Company's plant at Chennai.	
(c) Second pari passu charge on the immovable properties of the Company at Yamuna Nagar, Jamshedpur and Malanpur plants.	
(d) Second pari passu charge on the movable properties of the Company at Yamuna Nagar, Jamshedpur and Malanpur plants.	
(e) Personal Guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 27 of related party)	

(G) Deferred sales tax loan (₹1,222.07 (previous year ₹1,614.91))

As per the eligibility certificate issued, the Company is eligible for waiver of deferred sales tax repayable over the period from 1 March, 2010 to 28 February, 2019 and is unsecured and interest free.

(H) Vehicle loan (₹209.58 (previous year ₹99.43))

Vehicle loans are secured by the hypothecation of the specific vehicles. The loans are repayable in equated monthly installments in accordance with terms and conditions of loan agreements with bank/others. The period of loan ranges from 3 to 5 years.

NOTE NO. 6: DEFERRED TAX LIABILITIES (NET)

	As At 31 March 2013	As At 31 March 2012
Deferred tax liability		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in accounts	2,010.01	1,753.29
Less : Deferred tax assets		
Brought forward losses as per tax laws	290.20	546.55
Provision for employee benefits	57.18	28.22
Expenses covered by section 43B of Income Tax Act 1961	78.80	27.63
Total	1,583.83	1,150.89

NOTE NO: 7 OTHER LONG TERM LIABILITIES

	As At 31 March 2013	As At 31 March 2012
Security deposit	80.72	77.27
Total	80.72	77.27

NOTE NO: 8 PROVISIONS

	Long term		Short term	
	As at 31 March 2013	As at 31 March 2012	As At 31 March 2013	As At 31 March 2012
Provision for employees benefits				
Provision for leave encashment	128.86	68.82	24.57	53.31
Provision for gratuity (refer note 32)	131.78	92.61	39.18	10.02
	260.64	161.43	63.75	63.33
Other provisions				
Provision for proposed equity dividend	-	-	789.95	590.97
Provision for proposed preference dividend (refer note 3(c))	-	-	43.75	432.00
Tax on proposed equity dividend	-	-	134.25	95.87
Tax on proposed preference dividend	-	-	7.44	70.08
Provision for income tax	-	-	1,190.59	1,066.64
	-	-	2,165.98	2,255.56
Total	260.64	161.43	2,229.73	2,318.89

NOTE NO: 9 SHORT TERM BORROWINGS

	As At 31 March 2013	As At 31 March 2012
Cash Credit *	369.78	6.01
Buyer's credit from bank #	922.41	794.35
Bill discounting facility from banks ^	4,367.17	6,604.16
Purchase order finance facility ^	2,000.00	-
Working Capital demand loan *	400.00	-
	8,059.36	7,404.52
Total above amount includes		
Secured borrowings * #	1,692.19	800.36
Unsecured borrowings ^	6,367.17	6,604.16
Total	8,059.36	7,404.52

* Loan is secured against



- exclusive charge on the movable fixed assets and current assets of the Jai Suspension Systems LLP
- personal guarantee of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer Note 27 on related party)

Buyer's credit is a part of term loan facility from ICICI Bank Limited. For details of security, refer note 5(B) on security related to term loans from banks

The Company has not availed any fund based working capital facility from the consortium of banks. The details of security of such facility are as follows-

Working capital

- First pari passu charge on the entire current assets of the Company with other member banks of the consortium.
- Second pari passu charge along with other consortium members over entire fixed assets of the Company, first charge being with the term lenders.
- Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director. (Refer note 27 on related party)
- Corporate Guarantees of M/s Jai Suspension Systems LLP, M/s SW Farms Pvt. Ltd. (to the extent of shares pledged by them), M/s Randeep Investments Pvt. Ltd. (to the extent of shares pledged by them) and M/s B. S. Jauhar (HUF) (to the extent of shares pledged by them). (Refer note 27 on related party)
- First pari passu charge on 15 lakhs shares of the Company held by Promoters/Promoters group given as collateral securities for working capital with other working capital lenders.

NOTE NO: 10 TRADE PAYABLES

	As At 31 March 2013	As At 31 March 2012
Trade payables (including acceptances) (Refer to note (a) below)	20,947.08	23,861.21

NOTE NO: 11 OTHERS CURRENT LIABILITIES

	As At 31 March 2013	As At 31 March 2012
Current maturities of long-term borrowing (refer note 5)	4,372.01	4,021.83
Provision for mark to market forward exchange contracts	-	226.78
Interest accrued and not due on borrowings	66.68	39.74
Unclaimed dividends	57.07	74.45
Other payables		
Creditors towards fixed assets (refer to note (a) below)	132.05	276.96
Statutory dues payable		
Excise duty payable	148.24	300.11
Service tax payable	5.19	3.97
Sales tax payable	336.44	331.61
TDS payable	101.69	70.97
PF and ESI payable	43.55	31.69
Salaries, wages payable	420.80	217.63
Other payable	134.40	197.30
Total	5,818.12	5,793.04

Note (a) : Details of dues to micro and small enterprises defined under the MSMED Act, 2006

Based on the information presently available with the Company, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE NO: 12 (a) FIXED ASSETS
As at 31 March 2013

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions during the year (refer note 12 (a) (iii))	Sale/ adjustment during the year	As at 31 March 2013	As at 1 April 2012	Depreciation/ Amortisation charged for the year	Sale/ adjustment during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Tangible fixed assets										
Freehold land	1,382.40	1,642.00	-	3,024.40	-	-	-	-	3,024.40	1,382.40
Leasehold land	81.23	706.28	-	787.51	14.48	11.37	-	25.85	761.66	66.75
Factory building	4,668.63	1,102.80	10.23	5,761.20	1,068.25	156.67	4.51	1,220.41	4,540.79	3,600.38
Office building	62.46	-	-	62.46	2.82	1.02	-	3.84	58.62	59.64
Plant and machinery	23,825.90	7,231.69	958.72	30,098.87	12,256.93	1,971.66	872.57	13,356.02	16,742.85	11,568.97
Furniture and fixtures	216.53	25.26	3.06	238.73	103.00	13.32	2.14	114.18	124.55	113.53
Vehicles	556.59	253.36	56.03	753.92	187.42	61.99	31.99	217.42	536.50	369.17
Office equipment	343.37	35.72	21.89	357.20	159.75	28.67	16.52	171.90	185.30	183.62
Computer hardware	433.98	36.54	19.25	451.27	331.04	33.50	17.84	346.70	104.57	102.94
Total	31,571.09	11,033.65	1,069.18	41,535.56	14,123.69	2,278.20	945.57	15,456.32	26,079.24	17,447.40
Intangible assets										
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-	-
Computer software	405.60	1.35	-	406.95	153.70	80.33	-	234.03	172.92	251.91
Copyrights	3,497.58	-	-	3,497.58	2,676.53	536.23	-	3,212.76	284.82	821.04
Total	4,824.20	1.35	-	4,825.54	3,751.25	616.56	-	4,367.81	457.74	1,072.95
Grand Total	36,395.29	11,035.00	1,069.18	46,361.10	17,874.94	2,894.76	945.57	19,824.13	26,536.98	18,520.35

As at 31 March 2012

Particulars	Gross block			Accumulated depreciation				Net block	
	As at 1 April, 2011	Additions during the year (refer note 12 (a) (iii))	Sale/ adjustment during the year	As at 31 March 2012	As at 1 April, 2011	Depreciation/ Amortization charged for the year	Sales / adjustments during the year	As at 31 March 2012	As at 31 March 2012
Tangible fixed assets									
Freehold land	755.02	627.38	-	1,382.40	-	-	-	1,382.40	755.02
Leasehold land	81.23	-	-	81.23	-	14.48	-	66.75	81.23
Factory building	3,890.97	777.66	-	4,668.63	945.92	122.33	-	1,068.25	2,945.05
Office building	53.85	8.61	-	62.46	1.91	0.91	-	2.82	51.94
Plant and machinery	21,376.46	2,651.64	202.20	23,825.90	10,261.63	2,068.33	73.03	12,256.93	11,114.83
Furniture and fixtures	139.89	76.64	-	216.53	90.73	12.27	-	103.00	49.16
Vehicles	422.91	185.00	51.32	556.59	184.41	41.09	38.08	187.42	238.50
Office equipment	319.60	25.77	2.00	343.37	145.63	15.88	1.76	159.75	173.97
Computer hardware	402.14	34.72	2.88	433.98	301.20	32.04	2.20	331.04	100.94
Total	27,442.07	4,387.42	258.40	31,571.09	11,931.43	2,307.33	115.07	14,123.69	15,510.64
Intangible fixed assets									
Goodwill	921.02	-	-	921.02	826.42	94.60	-	921.02	94.60
Computer Software	265.69	139.91	-	405.60	95.80	57.90	-	153.70	169.89
Copyrights (Refer note 12 (a) (i))	3,497.58	-	-	3,497.58	1,921.34	755.19	-	2,676.53	1,576.24
Total	4,684.29	139.91	-	4,824.20	2,843.56	907.69	-	3,751.25	1,840.73
Grand Total	32,126.36	4,527.33	258.40	36,395.29	14,774.99	3,215.02	115.07	17,874.94	17,351.37

Note

- (i) During the year ended 31 March 2012, the management had re-assessed the classification of expenditure incurred in earlier years on development of design and prototypes for which the Company has obtained copyrights amounting to ₹3,497.58 (previous year: 3,497.58) (net of accumulated depreciation as at 31 March 2012: ₹1,921.34 (previous year ₹971.05)) and has correctly reclassified the same as part of Intangible Assets. Consequently, the amortisation charge of ₹755.19 (previous year ₹950.29) for the year ended 31 March 2012 has been included in depreciation. Such expenses were previously classified under deferred revenue expenditure.
- (ii) Additions include directly attributable borrowing cost capitalised amounting to ₹132.88 for factory building (Previous year ₹62.05) and ₹1,075.47 for plant and machinery (previous year ₹288.94).

NOTE 12 (b): CAPITALIZATION OF EXPENDITURE

During the year, the Company has capitalized the following expenses of revenue nature to Capital Work in Progress being expenditure directly attributable to fixed assets. Consequently, expenses disclosed under the respective notes are net of the amounts capitalized by the Company.

	For the year ended 31 March 2013	For the year ended 31 March 2012
Finance cost	478.15	803.74
Salary, wages and bonus	118.75	240.85
Consumption of stores and consumables	391.30	253.28
Others expenses	133.52	320.62
Total	1,121.72	1,618.49

NOTE NO: 13 INVESTMENTS

	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Long Term non-trade investments (valued at cost)				
Investment in equity instruments (unquoted) *				
5,249,920 (previous year: 5,249,920) equity share of ₹10 each fully paid-up in NHK Spring Company India Limited	-	524.99	524.99	-
Total	-	524.99	524.99	-

* During the year, the Board of Directors of the Company in their meeting held on 26 March 2013 decided to sell the shares held in NHK Spring Company India Limited. Consequently, such investment has been reclassified to current investment.

NOTE NO: 14 LOAN AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	Non-current assets		Current assets	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Capital advances	159.51	784.54	-	-
Security deposits	354.59	200.50	12.22	4.06
Other loans and advances :-				
Advance to suppliers	41.52	-	707.92	412.53
Less :- Provision for doubtful Advance	(41.52)	-	-	-
Net advance	-	-	707.92	412.53
Advances income tax	1,548.50	1,436.65	-	-
Minimum alternate tax credit	2,291.01	1,668.00	-	-
Prepaid expenses	0.27	0.44	109.06	41.24
Advance to employees	-	-	46.27	53.82
Balance with sales tax authorities	2.29	2.77	1.24	36.28
Balance with excise authorities	-	-	564.14	713.05
Other recoverable in cash or kind	165.71	3.47	284.46	26.76
	4,007.78	3,111.33	1,713.10	1,283.68
Total	4,521.88	4,096.37	1,725.32	1,287.74

**NOTE NO: 15 OTHER ASSETS**

	Non-current assets		Current assets	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Non current bank balances (Refer note 18)	9.88	10.60	-	-
Unamortized expenditure				
Unamortized premium on forward contract	-	-	-	197.00
Ancilliary cost of arranging the borrowings	84.57	153.94	96.42	25.45
	84.57	153.94	96.42	222.45
Others				
Interest accrued on fixed deposits	11.83	34.88	4.01	-
Unbilled Revenue	-	-	52.58	1,499.79
	11.83	34.88	56.59	1,499.79
	106.28	199.42	153.01	1,722.24

NOTE NO: 16 INVENTORIES (VALUED AT LOWER OF COST AND REALISABLE VALUE)

	As At 31 March 2013	As At 31 March 2012
Raw material and Components [includes goods in transit: ₹801.91 (previous year: ₹295.13)]	4,247.43	6,003.25
Work-in-progress	4,541.35	3,209.43
Finished goods [includes goods in transit ₹726.19 (previous year: 1,059.73)]	3,498.19	3,749.28
Stores and Spares	847.47	663.53
Scrap	30.26	8.12
Total	13,164.70	13,633.61

NOTE NO: 17 TRADE RECEIVABLES (CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	As At 31 March 2013	As At 31 March 2012
- Outstanding over six months	-	-
Unsecured, considered good	42.48	293.02
Unsecured, considered doubtful	10.09	110.00
	52.57	403.02
Less: Provision for doubtful debts	(10.09)	(110.00)
- Other receivables	10,643.18	12,586.48
Total	10,685.66	12,879.50

NOTE NO: 18 CASH AND BANK BALANCES

	Non-current assets		Current assets	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Cash and cash equivalents				
Balance with banks				
On current account	-	-	787.62	798.58
Cheques/Drafts in hand	-	-	-	22.71
Cash on hand	-	-	10.09	11.06
	-	-	797.71	832.35
Other bank balances				
Deposits with bank with more than 12 months#	9.88	10.60	-	-
Deposits with bank with more than 3 months and less than 12 months*	-	-	610.43	552.73
On unclaimed dividend account	-	-	57.07	74.45

	Non-current assets		Current assets	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Margin money deposits	-	-	15.92	46.50
	9.88	10.60	683.42	673.68
Amount disclosed under non current assets (Refer note 15)	(9.88)	(10.60)	-	-
Total	-	-	1,481.13	1,506.03

* Includes fixed deposit kept as margin money ₹520.82 (previous year ₹552.73)

Includes fixed deposit kept as margin money ₹5.83 (previous year ₹5.70)

NOTE NO: 19 REVENUE FROM OPERATIONS

	For the year ended 31 March 2013	For the year ended 31 March 2012
Sale of products - finished goods (Refer to note 33) (#)	103,244.18	118,023.61
Other operating revenue - Scrap sale	2,331.62	2,403.67
Revenue from operations (gross)	105,575.80	120,427.28
Less : Excise duty	7,560.67	8,462.05
Revenue from operations (net)	98,015.13	111,965.23
# Detail of product sold		
Leaf springs (conventional and parabolic)	102,668.65	118,023.61
Lift Axle	575.53	-
Total	103,244.18	118,023.61

NOTE NO: 20 OTHER INCOME

	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest income on bank deposits	73.50	66.26
Excess provision written back	8.16	37.58
Miscellaneous Income	152.68	93.50
Total	234.34	197.34

NOTE NO: 21 COST OF MATERIALS CONSUMED

	For the year ended 31 March 2013	For the year ended 31 March 2012
Cost of materials consumed		
Inventory at the beginning of the year	6,003.25	4,972.99
Add : Purchases	63,808.58	78,918.32
Less : Inventory at the end of the year	4,247.43	6,003.25
Cost of materials consumed	65,564.40	77,888.06
Detail of materials consumed		
Steel Flat	60,237.96	72,673.03
Bushes	2,535.88	2,322.64
Clamps	2,790.56	2,892.38
	65,564.40	77,888.05
Detail of inventory		
Raw material and components		
Steel flats	3,162.83	5,047.25
Bushes	228.71	387.04
Clamps	855.89	568.94
Total	4,247.43	6,003.25

**NOTE NO: 22 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS**

	For the year ended 31 March 2013	For the year ended 31 March 2012
Inventories at the end of year		
- Finished goods	3,498.19	3,749.28
- Work in progress	4,541.35	3,209.43
- Scrap	30.26	8.12
	8,069.80	6,966.83
Inventories at the beginning of year		
- Finished goods	3,749.28	2,093.11
- Work in progress	3,209.43	2,312.07
- Scrap	8.12	23.26
	6,966.83	4,428.44
Decrease/ (increase) during the year before adjustment	(1,102.97)	(2,538.39)
Adjustment to decrease/ (increase) during the year (Refer note 33)	-	1,655.51
Decrease/ (increase) during the year	(1,102.97)	(883.39)
Detail of inventory		
Finished goods		
Leaf springs (conventional and parabolic)	3,458.05	3,749.28
Lift Axle	40.14	-
	3,498.19	3,749.28
Work-in-progress		
Leaf springs (conventional and parabolic)	4,512.97	3,209.43
Lift Axle	28.38	-
Total	4,541.35	3,209.43

NOTE NO: 23 EMPLOYEE BENEFIT EXPENSE

	For the year ended 31 March 2013	For the year ended 31 March 2012
Salaries, wages and bonus	5,450.51	4,733.09
Contribution to provident and other funds	275.90	235.75
Staff welfare expenses	287.88	260.65
Total	6,014.29	5,229.49

NOTE NO: 24 OTHER EXPENSES

	For the year ended 31 March 2013	For the year ended 31 March 2012
Consumption of stores and spare parts	3,220.25	3,627.01
Power and fuel	8,299.98	7,963.00
Job charges	886.08	577.95
Increase/(decrease) in excise on stocks of finished goods	(45.69)	153.65
Rent (Refer note 29)	240.91	201.78
Repairs to buildings	80.41	57.40
Repairs to machinery	115.94	149.57
Repairs to others	120.98	86.62
Rates and taxes, excluding taxes on income	64.61	46.73
Travelling and conveyance	535.20	297.29
Legal and professional fees	531.32	301.54
Loss on sale of assets (net)	9.30	55.60
Sundry balance written off	332.18	202.96
Bad debts written off	169.30	922.29

		For the year ended 31 March 2013		For the year ended 31 March 2012
Provision for doubtful advance		41.52		
Provision for doubtful debts	110.00	-	217.74	
Less: Adjusted against bad debts written off	(110.00)	-	(217.74)	
Add: Provision recognized during the year	10.09	10.09	110.00	110.00
Freight forwarding and packing		1,924.44		1,878.13
Sales promotion & advertisement		758.85		559.37
Selling expenses		955.94		1,499.65
Donation		10.28		17.93
Exchange fluctuation loss (net)		135.38		169.85
Miscellaneous expenses		592.24		481.49
Total		18,989.51		19,359.80

NOTE NO: 25 FINANCE COSTS

	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest	1,346.16	772.93
Interest others	-	46.71
Other borrowing cost	1,327.87	1,062.01
Total	2,674.03	1,881.64

NOTE NO: 26 DEPRECIATION AND AMORTIZATION EXPENSES

	For the year ended 31 March 2013	For the year ended 31 March 2012
Depreciation on tangible assets	2,278.20	2,307.33
Amortization on intangible assets	616.56	907.69
Total	2,894.76	3,215.02

(Also, refer note 12(a))

NOTE NO: 27 RELATED PARTY DISCLOSURES

List of related parties

Key Managerial personnel and their relatives

Mr. B. S. Jauhar	Key Managerial personnel
Mr. R. S. Jauhar	Key Managerial personnel
Mr. P. S. Jauhar	Key Managerial personnel
Mr. S. P. S. Kohli	Key Managerial personnel
Mrs. Khem Kaur	Relative of Key Managerial personnel
Mrs. Sonia Jauhar	Relative of Key Managerial personnel
Mrs. Kiran Chadha	Relative of Key Managerial personnel
Entities over which key managerial personnel/ their relatives are able to exercise significant influence	
Jamna Agro Implements Private Limited	Mrs. Khem Kaur
S.W. Farms Private Limited	Mr. R. S. Jauhar
Map Auto Limited	Mr. B. S. Jauhar
Winthrop Marketing	Mr. S. P. S. Kohli



a) Transactions with related parties

Transactions during the year	For the year ended 31 March 2013	For the year ended 31 March 2012
Services received		
MAP Auto Limited - Freight and forwarding	895.55	1,446.71
Winthrop Marketing - Commission	12.20	13.02
Jamna Agro Implements Private Limited - job work	56.22	77.73
MAP Auto Ltd. -Job Work	82.78	-
Purchase of Fixed Assets		
MAP Auto Limited	-	0.50
Sale of fixed assets		
MAP Auto Limited	14.16	-
Loan Given		
MAP Auto Limited	200.00	85.00
Interest received on Loan		
MAP Auto Limited	22.48	2.64
Managerial Remuneration		
Mr. R. S. Jauhar	122.71	104.70
Mr. P. S. Jauhar	111.28	83.76
Mr. S. P. S.Kohli	89.70	44.25
Mr. B. S. Jauhar	99.82	95.99
Remuneration to others		
Mrs. Kiran Chadha	21.83	18.15
Rent paid		
Mr. P. S. Jauhar	17.16	15.71
Mrs. Sonia Jauhar	27.95	25.21
S. W. Farms Pvt. Limited	17.71	15.97
Mr. R. S. Jauhar	2.40	2.40
Rent Received		
MAP Auto Limited	1.95	1.86
Security Deposit Given		
Mr. P. S. Jauhar	-	7.50
Mr. R. S. Jauhar	-	7.50
Guarantee and collaterals		
Personal guarantees given by promoters		
Mr. R. S. Jauhar	10,500.00	11,500.00
Mr. P. S. Jauhar	10,500.00	11,500.00

b) Balances with related parties:

Outstanding balances as at year end	As At 31 March 2013	As At 31 March 2012
Accounts receivables from related parties:		
Winthrop Marketing	0.40	-
MAP Auto Limited	220.23	-
Mr. B. S. Jauhar	7.50	7.50
Mr. R. S. Jauhar	7.50	7.50
Accounts payable to related parties:		
MAP Auto Limited	113.04	96.97
Jamna Agro Implements Private Limited	9.37	26.53
Winthrop Marketing	-	1.04
Mr. B. S. Jauhar	0.95	0.95
Mr. R. S. Jauhar	5.06	0.18

Outstanding balances as at year end	As At 31 March 2013	As At 31 March 2012
Mr. P.S Jauhar	4.82	-
Mr. SPS Kohli	32.00	-
Guarantee and collaterals		
Personal guarantee given by promoters #		
Mr. B. S. Jauhar	3,932.00	3,932.00
Mr. R. S. Jauhar	47,854.00	37,354.00
Mr. P. S. Jauhar	51,786.00	41,286.00
(Actual outstanding loan/liabilities as on 31 March 2013 amounted to ₹28,554 (previous year : ₹32,217 against which guarantee has been provided)		
# Personal guarantee given by promoters on individual capacity to secure the same debt granted to Company by banks/financial institutions.		
Pledge of shares by promoters		
Mr. B. S. Jauhar	34,224	34,224
B.S. Jauhar (HUF)	8,600	8,600
Mr. R. S. Jauhar	387,740	387,740
S. W. Farms Private Limited	340,000	340,000
Randeep Investment Private Limited	881,610	881,610

Note No: 28 Earning per share

	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit after tax	2,772.74	4,218.82
Less: Dividend on 12.5% optionally convertible cumulative preference shares	51.19	50.85
Net profit for the period attributable to equity shares (rupees in lacs)	2,721.55	4,167.98
Weighted average number of equity shares during the period in calculating basic EPS	39,479,325	39,390,460
Add: Stock options granted under ESOP	201,123	243,736
Weighted average number of equity shares during the period in calculating diluted EPS	39,680,448	39,634,196
Basic EPS after tax	6.89	10.71
Diluted EPS after tax	6.86	10.64

Note No: 29 Obligation on long term non-cancellable operating lease

The Company has taken Lucknow plant space on operating lease. The lease rentals charged during the year in respect of cancellable and non cancellable operating leases and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in the agreement are as follows:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Lease Rental Expense	240.91	201.78

Total future minimum lease rental payable	As At 31 March 2013	As At 31 March 2012
Within one year	12.07	25.74
Later than one year and not later than five years	-	14.31
Later than five years	-	-
Total	12.07	40.05

Note No: 30 Segment Information

(a) Information about primary business segment

The Company recognizes 'Parabolic/ Tapered Leaf Spring/Lift axle' as its only primary segment since its operations consist of manufacturing of these products and related activities. Accordingly, 'Parabolic/ Tapered Leaf Spring/Lift Axle' segment is the only segment comprising the primary basis of segmental information set out in these financial statements.



(b) Information on secondary/ geographical segment

The Company sells its products to various manufacturers within the country and also exports to other companies. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as two geographical segments. Information of geographical segment is based on the geographical location of the customers.

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Segment Revenue		
Domestic	105,049.80	119,947.42
Overseas	526.00	479.86
Total	105,575.80	120,427.28

Segment Assets	As At 31 March 2013	As At 31 March 2012
Domestic	60,462.95	63,135.20
Overseas	154.63	88.30
Total	60,617.58	63,223.50
Addition to fixed assets #		
Domestic	3899.39	10,332.78
Total	3899.39	10,332.78

The Company has common assets for producing goods for domestic market and overseas markets. Hence, separate figures for other assets/ additions to other assets cannot be furnished.

Note No: 31 Share based compensation

- (A) The Company has issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the Schemes are administered by the Compensation Committee constituted pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999. All the permanent employees of the Company and the subsidiaries, including Directors but excluding promoters of the Company are eligible to participate in the schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

The stock option shall vest proportionately over the period of five years from the date of grant in the ratio of 15% for the first year, 20% for second to fourth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issue at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the Company.

ESOP Scheme	Date of approval by shareholders	Number of options approved
ESOP Scheme-2006	25 January, 2007	314,000
ESOP Scheme-2008	1 July, 2008	Not more than 5% of the paid up equity shares capital of the Company as on 31 March 2012

Following stock options have been granted upto 31 March 2013:

ESOP Scheme	Date of approval by shareholders	Number of options approved
ESOP Scheme-2006		
25 January, 2007	257000	₹30.62
25 August, 2007	57000	₹44.20
ESOP Scheme-2008		
8 February, 2008	867461	₹54.95
5 August, 2010	361250	₹120.65

(B) Summary of stock options:

	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Number of stock options	Weighted Average Exercise Price	Number of stock options	Weighted Average Exercise Price
Options outstanding at the beginning of the year	853,775	67.43	1,074,764	64.14
Options granted during the year	Nil	Nil	Nil	Nil
Options forfeited/lapsed during the year	132,872	63.87	99,250	57.16
Options exercised during the year	99,403	122.50	121,739	46.71
Options outstanding at the end of the year	621,500	71.33	853,775	67.43
Options exercisable at the end of the year	277,720	67.13	252,290	57.55

(C) Weighted average shares price on the date of exercise of the options is ₹122.50 (Previous year ₹112.16)

(D) Range of exercise price and weighted average remaining contractual life of stock options outstanding

For the year ended 31 March 2013			For the year ended 31 March 2012		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life
10,725	30.62	0.63 years	44,825	30.62	1.20 years
1,500	44.20	0.98 years	4,518	44.20	1.70 years
450,075	54.95	3.10 years	624,832	54.95	4.03 years
159,200	120.65	3.60 years	179,600	120.65	4.30 years

(E) Weighted average fair value of options: The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Risk free interest rate	*	*
Expected life	*	*
Expected volatility (%)	*	*
Expected Dividend (%)	*	*
Price of underlying shares in the market at the time of option grant	*	*

*Not applicable since the Company has not granted stock options during the year

(F) The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guide Lines 1999, to account for stock options issued under the Company's stock option schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.

There would be no impact on the profit or earnings per share had the Company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

**Note No: 32 Employee benefits**

- i) The details of retirement benefits with regard to provision/ charge for the year on account of gratuity, which is in the nature of defined benefit, are as under:

Balance Sheet

	As At 31 March 2013	As At 31 March 2012
Changes in the present value of the defined benefit obligation are as follows:		
Obligations at the beginning of the year	318.52	218.89
Service Cost	41.92	37.10
Interest Cost	26.99	18.60
Actuarial (gain) / loss	18.53	49.68
Benefits paid	(26.29)	(5.75)
Obligations at the end of the year	379.67	318.52
Changes in the fair value of the plan assets are as follows:		
Fair value of planned assets at the beginning of the year	215.89	142.92
Expected return on plan assets	19.97	12.86
Contributions	0.03	42.27
Benefits paid	(26.29)	(5.75)
Actuarial gain / (loss) on planned assets	(0.89)	23.59
Fair value of planned assets at the end of the year	208.71	215.89
Net liability recognized	170.96	102.63
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		
Current service cost	41.92	37.10
Interest cost on obligation	26.99	18.60
Expected return on planned assets	(19.97)	(12.86)
Net actuarial (gain) /losses	19.42	26.09
Net expense to be recognised	68.36	68.93
Assumptions used in accounting for the gratuity plan		
Discount rate	8.50%	8.50%
Expected rate of salary increase	6.00%	6.00%
Expected rate of return on planned assets	9.25%	9.25%
Normal retirement age	58 years	58 years

Experience benefit

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors.

Experience adjustments:

The disclosure relating to experience adjustments have not given in the financial statements, the management is of the view that the same will not be material to the overall financial statement disclosure and presentation.

Note No: 33

Until 31 March 2011, Company had recognized revenue on dispatch of material to customers from factory gate. The Company has refined its revenue recognition policy in the year ended 31 March 2012, to recognise revenue on transfer of significant risk and rewards to customers coinciding with time of delivery. Further, prior period adjustment includes the effect of incorrect elimination of inter-company profits included in inventory for the year ended 31 March 2011 amounting to ₹112.00. The impact of correction on the previous year ended 31 March 2012 is as given below and formed part of the adjustments related to prior period expenditure:

Prior period effect of revenue reversal as on 31 March 2011 having an impact on the year ended 31 March 2012

Account head		As per Audited financial statements for the year ended 31 March 2011	As per Performa financial statements for the year ended 31 March 2011	Effect of the adjustments in the year ended 31 March 2012
A	Revenue *	90,326.00	88,421.00	1,905.00
B	Decrease/ (Increase) in stock #	(383.00)	(2,038.00)	1,655.00
	Profit after tax ##			250

* In the year ended 31 March 2011, revenue amounting to ₹1,905 had been recognized on the basis of dispatch of goods to its customers, however the goods were actually delivered in the year ended 31 March 2012. As a consequence, revenue relating to the year ended 31 March 2011 was adjusted in the financial statements.

As explained above, the consequential impact of finished goods in transit amounting to ₹1,655 relating to those goods that had not been delivered as on 31 March 2011 had been adjusted to the Changes in inventory of finished goods in the current year financial statements.

The cumulative effect of the above on the profit after tax amounting to ₹250.00 has been disclosed as a prior year expenditure.

Note No: 34 Derivative instruments and unhedged foreign currency exposure

(a) Particulars of foreign currency forward contracts outstanding

	Currency	As at 31 March 2013		As at 31 March 2012	
		Amount in foreign currency (in lakhs)	₹ in equivalent	Amount in foreign currency (in lakhs)	₹ in equivalent
Buy	USD	-	-	103.13	5,275.51

(b) Particulars of unhedged foreign currency exposure

	Currency	As at 31 March 2013		As at 31 March 2012	
		Amount in foreign currency (in lakhs)	₹ in equivalent	Amount in foreign currency (in lakhs)	₹ in equivalent
Trade receivables	USD	2.86	154.63	1.41	72.26
	GBP	-	-	0.19	15.36
	JPY	-	-	1.09	0.68
Trade payables	USD	21.20	1,146.60	0.03	1.63
	EURO	0.50	34.81	2.02	137.26
	JPY	104.52	60.40	30.10	17.36
Short term borrowings	JPY	559.18	322.98	-	-
	EURO	8.62	599.43	11.70	794.35

**Note No: 35 Contingent Liability**

	As At 31 March 2013	As At 31 March 2012
Claims against Company not acknowledged as debts	754.59	893.15
Guarantee given by Company	1.00	7.89
Import of machinery under Export Promotion of Capital Goods scheme	383.21	335.48
	1,138.80	1,236.52

Note No: 36 Commitments

	As At 31 March 2013	As At 31 March 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	45.27	1,720.86
Lease Commitments (refer note 29)	12.07	40.05
	57.34	1,760.91

Note No: 37

The Company is in the process of establishing a comprehensive system of maintenance of information and documents of specified domestic transactions as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. The Company expects such records to be in existence latest by 30 November 2013. The management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation

As per our report of even date

For **B S R & CO.**

Chartered Accountants

Firm registration number: 101248W

For and on behalf of the Board of Directors of

JAMNA AUTO INDUSTRIES LIMITED

ZUBIN SHEKARY

Partner

Membership No.: 048814

Place : Gurgaon

Date : 30 May 2013

R. S. JAUHAR

CEO & Executive Director

P. S. JAUHAR

COO & Executive Director

Place : New Delhi

Date : 30 May 2013

PRAVEEN LAKHERA

Company Secretary &
Head-Legal

SHAKTI GOYAL

GM-Finance &
Material



NOTICE

NOTICE is hereby given that the 47th Annual General Meeting of the members of the Company will be held on Friday, 20 September 2013 at 9:30 a.m. at the Registered Office of the Company at Jai Springs Road, Industrial Area, Yamuna Nagar-135001 (Haryana), to transact the following businesses:

As Ordinary Business:

Item No. 1

To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 March 2013 and Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

Item No. 2

To declare dividend of ₹43.75 lacs on Preference Shares to IFCI Ltd.

Item No. 3

To declare dividend on equity shares.

Item No. 4

To appoint a director in place of Mr. Shashi Bansal, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 5

To appoint a director in place of Mr. Jainendar Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 6

To appoint a director in place of Seth Ashok Kumar, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 7

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 Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, be and is hereby appointed as Statutory Auditor of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors or Committee thereof in consultation with the auditors, exclusive of travelling and reimbursement of other out of pocket expenses.”

As Special Business:

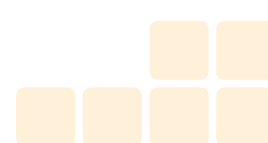
Item No. 8

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

“RESOLVED THAT Mr. Hardeep Singh Gujral, who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 read with Article 117(a) of the Articles of Association of the Company and who shall hold office up to the date of annual general meeting and in respect of whom the Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director of the Company, be and is hereby appointed as director of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the consent of the members, be and is hereby accorded for appointment and payment of following remuneration to Mr. H. S. Gujral as Executive Director of the Company for a period of three years with effect from 30 May 2013 to 29 May 2016 on the terms & conditions and remuneration including minimum remuneration as set out below:

1. Salary: ₹58,000 per month.
2. Special Allowance: ₹20,000 per month.
3. Perquisites: Following Perquisites shall be allowed in addition to the salary.
 - Reimbursement of actual conveyance expenses, up to ₹10,500 per month, incurred by Mr. H. S. Gujral.
 - Reimbursement of actual medical expenses, up to ₹1,250 per month, incurred by Mr. H. S. Gujral and his family.
 - Reimbursement of salary of one driver, up to ₹8,000 per month.
 - Reimbursement of actual expense on a phone, up to ₹1,275 per month.
 - Leave Travel Allowances incurred for self and family once in a year up to ₹4,150 per month.
 - House Rent Allowance: The Company shall provide free of cost suitable furnished/unfurnished residential accommodation with all facilities & amenities to Mr. H.S. Gujral and his family. In case Mr. H. S. Gujral does



not opt for Company provided accommodation at any time he shall be paid house rent allowances of a sum not exceeding ₹23,200 per month.

- Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on the perquisites to the extent all these, either singly or put together, are not taxable under the Income Tax Act, 1962.
 - Gratuity payable shall not exceed half a month salary for each completed year of service.
 - Earned Leave: Leave on full pay and allowances as per the rules of the Company.
4. Bonus/Performance incentive not exceeding ₹400,000 per annum payable w.e.f year 2013-2014 onwards as may be decided by the remuneration committee.
 5. Stock Options in accordance with the ESOP Scheme of the Company.
 6. For the purpose of perquisites stated herein above, "Family" means spouse, dependent children and parents of Mr. H. S. Gujral.
 7. Mr. H. S. Gujral shall be entitled to reimbursement of all actual expenses or charges including travel or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

RESOLVED FURTHER THAT the terms of office of Mr. H. S. Gujral shall be liable to determination by rotation.

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. H. S. Gujral in a financial year shall not exceed the overall ceiling limit laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT If in any financial year during the currency of tenure of Mr. H. S. Gujral as Executive Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of Salary, Perquisites and Allowances, not exceeding the maximum ceiling limit specified under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as Minimum Remuneration whichever is higher or the Company may pay to Mr. H. S. Gujral the above remuneration as the Minimum Remuneration by way of Salary, Perquisites and Allowance subject to the approval of Central Government or any other authority, if any."

Item No. 9

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and

rules and regulations made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and subject to approval of the Central Government, if any, consent of the members, be and is hereby accorded for payment of following remuneration including minimum remuneration, as set out herein below, to Mr. R. S. Jauhar, CEO & Executive Director for the remaining period of his term with effect from 1 August 2012 to 31 December 2013.

1. Salary (per month): ₹6,00,000 (subject to an increase of 10% p.a.).
2. Commission: Mr. R. S. Jauhar will also be allowed remuneration by way of commission based on net profits of the Company in a particular year, which put together with salary, allowance and perquisite shall be subject to the overall ceilings laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

The amount of Commission will be paid every year with the approval of the Board of Directors on the recommendation of the Remuneration Committee.
3. Perquisites and Allowances: In addition to the above Salary and Commission, Mr. R. S. Jauhar will be entitled to the following Perquisites and Allowances:
 - i. Housing: The Company shall provide free of cost, suitable furnished/ unfurnished residential accommodation with all facilities & amenities to Mr. R. S. Jauhar and his family. In case Mr. R. S. Jauhar does not opt for Company provided accommodation at any time he shall be paid house rent allowance of a sum not exceeding 60% of his basic salary;
 - ii. Gas, Electricity, Water & Furnishings: The expenditure incurred by the Company on gas, electricity, water, and furnishings for Mr. R. S. Jauhar and his family;
 - iii. Medical Reimbursement: Reimbursement of actual medical expenses incurred by Mr. R. S. Jauhar and his family;
 - iv. Club fees: Actual fees of clubs to be paid by the Company for Mr. R. S. Jauhar and his family;
 - v. Personal Accident/Health Insurance: Actual premium to be paid by the Company for Mr. R. S. Jauhar and his family;
 - vi. Car: Facility of car(s) with driver for the business of the Company;
 - vii. Telephone: Free telephone(s) facility at residence including mobile phone(s);
 - viii. Leave Travel Concession: For Mr. R. S. Jauhar and his family once in a year incurred in accordance with any rules specified by the Company;

- ix. Earned Leave: Leave on full pay and allowances as per the rules of the Company;
- x. Contribution to Provident and Superannuation funds: Company's contribution to Provident and Superannuation funds will be as per the rules of the Company; and
- xi. Gratuity: Not exceeding half month's salary for each completed year of service as per rules of the Company.

Explanation:

- i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of Mr. R. S. Jauhar.
- ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

RESOLVED FURTHER THAT Mr. R. S. Jauhar shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment, club fees/expenses (corporate membership) or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. R. S. Jauhar in a financial year shall not exceed the overall ceiling limit laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT If in any financial year during the currency of tenure of Mr. R. S. Jauhar as CEO and Executive Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of Salary, Perquisites and Allowances, not exceeding the maximum ceiling limit specified under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as Minimum Remuneration whichever is higher or the Company may pay to Mr. R. S. Jauhar the above remuneration as the Minimum Remuneration by way of Salary, Perquisites and Allowance subject to the approval of Central Government or any other authority, if any."

Item No. 10

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and subject to approval of the Central Government, if any, approval of the members be and is hereby accorded for re-appointment of Mr. P. S. Jauhar as Whole Time Director of the Company designated as COO

& Executive Director for a period of 3 years with effect from 1 August 2012 to 31 July 2015 on the terms and conditions and remuneration including minimum remuneration, as set out herein below:

1. Salary (per month): ₹6,00,000 (subject to an increase of 10% p.a.).
2. Commission: Mr. P. S. Jauhar will also be allowed remuneration by way of commission based on net profits of the Company in a particular year, which put together with salary, allowance and perquisite shall be subject to the overall ceilings laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

The amount of Commission will be paid every year with the approval of the Board of Directors on the recommendation of the Remuneration Committee.

3. Perquisites and Allowances: In addition to the above Salary and Commission, he shall be entitled to the following Perquisites and Allowances:

- i. Housing: The Company shall provide free of cost, suitable furnished/ unfurnished residential accommodation with all facilities & amenities to Mr. Pradeep Singh Jauhar and his family. In case Mr. P. S. Jauhar does not opt for Company provided accommodation at any time, he shall be paid house rent allowance equivalent to 60% of his basic salary.
- ii. Gas, Electricity, Water & Furnishings: The expenditure incurred by the Company on gas, electricity, water, and furnishings.
- iii. Medical Reimbursement: Reimbursement of actual medical expenses incurred by Mr. P. S. Jauhar and his family;
- iv. Club Fees: Actual fees of clubs to be paid by the Company for Mr. P. S. Jauhar and his family;
- v. Personal Accident/Health Insurance: Actual premium to be paid by the Company for Mr. P. S. Jauhar and his family;
- vi. Car: Facility of car(s) with driver for the business of the Company;
- vii. Telephone: Free telephone(s) facility at Residence including mobile phone(s);
- viii. Leave Travel Concession: For Mr. P. S. Jauhar and his family once in a year incurred in accordance with the Company's rules.
- ix. Earned Leave: Leaves on full pay and allowances as per the rules of the Company;
- x. Contribution to Provident and Superannuation Funds: Company's contribution to Provident and Superannuation funds will be as per the rules of the Company; and



- xi. Gratuity: Not exceeding half month's salary for each completed year of service as per rules of the Company.

Explanation:

- i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of Mr. P.S. Jauhar.
- ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

RESOLVED FURTHER THAT Mr. P. S. Jauhar shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment, club fees/expenses (corporate membership) or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. P. S. Jauhar in a financial year shall not exceed the overall ceiling limit laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT if in any financial year during the currency of tenure of Mr. P. S. Jauhar as COO and Executive Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of Salary, Perquisites and Allowances, not exceeding the maximum ceiling limit specified under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as Minimum Remuneration, whichever is higher, or the Company may pay to Mr. P. S. Jauhar the above remuneration as the Minimum Remuneration by way of Salary, Perquisites and Allowance subject to the approval of Central Government or any other authority, if any."

**By order of the Board of Directors
For Jamna Auto Industries Limited**

Date: 13 August 2013

Praveen Lakhera

Place: New Delhi

Company Secretary & Head-Legal

Notes:

- 1) **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy form duly stamped and executed in order to be effective, must reach the registered office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting. Corporate members are duly requested to send at the registered office of the Company a duly certified copy of the Board Resolution, pursuant to section 187, of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.**

- 2) The relevant details, as required by Clause 49 of the Listing Agreement of persons seeking re-appointment as Directors under item nos. 4, 5,6,8 and 10 of the Notice, are annexed hereto.
- 3) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of the business under item no. 8, 9 and 10 is annexed hereto.
- 4) The present statutory auditors of the Company i.e, M/s B S R & Co; Chartered Accountants have expressed their un-willingness to be re-appointed at the Annual General Meeting. In place of present auditors, the Board recommends to appoint M/s S. R. Batliboi & Co. LLP as statutory auditors of the Company.
- 5) Members are requested to:
- a) Intimate immediately any change in their address to the Company's Registrar and Share Transfer Agents i.e Skyline Financial Services Pvt. Ltd. located at D-153/A, First Floor, Okhla Industrial Area, Phase – I, New Delhi-110020.
- b) Please quote folio number/Client ID, DP ID numbers in all correspondence.
- c) Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.
- 6) The Register of Members and Share Transfer Books of the Company remained closed from Thursday, 27 June 2013 to Saturday, 29 June 2013 (both days inclusive).
- 7) The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders whose names appeared on Register of beneficial owners maintained by the Depositories and / or Register of members at the close of business hours on Wednesday, 26 June 2013.
- 8) Members holding shares in physical form are, in their own interest, requested to dematerialize the shares to avail the benefits of electronic holding/ trading.
- 9) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend remaining unclaimed/unpaid for a period of 7 years from the date of transfer to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEP Fund). Following are the dates of dividends declared and the corresponding dates when unclaimed dividends are due for transfer to IEP Fund:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to Investor Education and Protection Fund
2010-11 (Interim Dividend)	03 February 2011	02 February 2018	06 March 2018
2010-11 (Final Dividend)	31 August 2011	30 August 2018	01 October 2018
2011-12 (Interim Dividend)	01 August 2011	31 July 2018	01 September 2018
2011-12 (Second Interim Dividend)	31 January 2012	30 January 2019	02 March 2019
2011-12 (Final Dividend)	18 August 2012	17 August 2019	18 September 2019

In view of the above, members are advised to send un-encashed dividend warrants pertaining to the above years to the Registrar and Transfer Agent for revalidation or issuance of Demand Drafts in lieu thereof and encash those before the due dates for transfer to the IEP Fund.

- 10) Members desiring any information on the Annual Report are requested to write to the Company's Corporate Office at New Delhi at least ten days before the date of the Annual General Meeting so that information can be made available at the meeting.
- 11) Pursuant to the steps taken by the Ministry of Corporate Affairs towards 'Green Initiative in Corporate Governance' vide its circular no. 18/2011 dated 29 April 2011, Members are requested to register their e-mail addresses through their Depository Participants with whom they hold their Demat Accounts for receiving the Annual Report, Auditors Report etc by e-mail. Members holding shares in physical form may register their e-mail addresses through RTA, giving reference of their Folio Numbers.
- 12) As per SEBI directions, now the physical instrument should necessarily mention the bank account details of the investors. In view of this, members are requested to fill the attached ECS Mandate form enclosed separately together with a xerox copy of one cheque leaf and get the details registered with our Registrar and Share Transfer Agent in case the shares are held in physical mode or with your Depository Participants if the shares are held in demat form, so that all future dividend payments can be remitted directly through ECS.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 8:

Mr. Hardeep Singh Gujral was appointed as Executive Director for a period of three years with effect from 30 May 2013 to 29 May 2016 at the meeting of the Board of Directors held on 30 May 2013. Mr. Gujral is a Mechanical Engineer and MBA and is 65 years of age. He has over 40 years of experience, which includes eight years of strong foundation at Telco (Jamshedpur) and is currently working as a Vice President in the Company. His vast experience in Spring Industry makes him suitable for the post.

The Remuneration Committee of the Board of Directors at its meeting held on 30 May 2013 has also approved appointment

of Mr. Gujral as Executive Director for a term of 3 years w.e.f. 30 May 2013 to 29 May 2016 and payment of remuneration to him as detailed in item no. 8 of the notice.

It is proposed to appoint Mr. Gujral as Executive Director for a period of three years with effect from 30 May 2013 to 29 May 2016. Appointment of Mr. Gujral and payment of remuneration to him is subject to approval of the members pursuant to Section 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956.

The Company has also received a notice in writing under Section 257 of the Companies Act, 1956, along with requisite deposit from a member proposing his candidature for the office of Director liable to retire by rotation.

The resolution is accordingly recommended for the approval of the members. A brief profile of Mr. Gujral is given along with the notice. None of the directors except Mr. Gujral are interested or concerned in the resolution. Mr. Gujral holds 6319 equity shares in the Company.

Note: This may also be treated as an abstract of the terms & conditions of appointment of Mr. Gujral in terms of Sec 302 of the Companies Act, 1956.

Item No. 9:

Mr. R. S. Jauhar is the Whole Time Director of the Company designated as CEO & Executive Director. He is a MBA from California State Bakersfield and M. Com. from Kurukshetra University. He is associated with the Company since 1985-1986 and has rich experience of more than 25 years in the Spring Industry.

Members of the Company at their Extra Ordinary General Meeting held on 21 December 2010 had approved re-appointment of Mr. R. S. Jauhar, for a term of three years, with effect from 1 January 2011 and remuneration payable to him. Mr. R. S. Jauhar had been drawing remuneration under the aforesaid approval.

The Remuneration Committee and the Board of Directors in their respective meetings held on July 30 2012 have approved and recommended revision in terms of remuneration of Mr. R. S. Jauhar for the remaining period of his term with effect from 1 August 2012 to 31 December 2013. The proposed revision is detailed in the item no. 9 of the notice and requires the approval of the members of the Company.

Your Directors recommend the resolutions for your approval. None of the directors other than Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar, being related to each other are interested or concerned



in the resolution. Mr. R. S. Jauhar holds 1,704,686 equity shares in the Company.

Note: This may also be treated as an abstract of the terms & conditions of revision in terms of remuneration of Mr. R. S. Jauhar as Whole Time Director of the Company designated as CEO & Executive Director, in terms of Section 302 of the Companies Act, 1956.

Item No. 10:

The term of office of Mr. P. S. Jauhar as Whole Time Director of the Company designated as COO & Executive Director expired on 30 July 2012. During his tenure Mr. P. S. Jauhar formulated the financial & operational turnaround of the Company and has successfully accomplished the major projects.

Considering his experience and knowledge the Remuneration Committee and the Board of Directors in their respective meetings held on 30 July 2012 had approved the re-appointment of Mr. Pradeep Singh Jauhar as Whole Time Director of the Company designated as COO & Executive Director for a period of three years, with effect from 1 August 2012 to 31 July 2015 at the proposed

remuneration. The proposal is detailed in the item no. 10 of the notice and requires the approval of the members of the Company.

Board considers that the re-appointment of Mr. P. S. Jauhar will be in the best interests of the Company and therefore recommends, the resolutions for your approval. None of the directors other than Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar, being related to each other are interested or concerned in the resolution. Mr. P. S. Jauhar holds 1,812,897 equity shares in the Company. A brief profile of Mr. P. S. Jauhar is given along with the Notice.

Note: This may also be treated as an abstract of the terms & conditions of reappointment of Mr. P. S. Jauhar as Whole Time Director of the Company designated as COO & Executive Director and payment of remuneration to him in terms of Section 302 of the Companies Act, 1956.

**By order of the Board of Directors
For Jamna Auto Industries Limited**

**Date: 13 August 2013
Place: New Delhi**

**Praveen Lakhera
Company Secretary & Head-Legal**

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. Shashi Bansal	Mr. J. K. Jain	Seth Ashok Kumar	Mr. H. S. Gujral	Mr. P. S. Jauhar
Date of Birth	21 August 1946	21 October 1945	23 January 1937	09 May 1948	23 August 1964
Date of Appointment	30 July 2008	31 January 2012	28 January 2008	30 May 2013	11 March 2008
Experience in specific functional areas	Mr. Shashi Bhushan Bansal is Bachelor of Engineering and has 40 years of experience at various positions.	Mr. J. K. Jain is a member of the Institute of Chartered Accountants of India and a commerce graduate.	Seth Ashok Kumar has done graduation in B. Com (Hons.) and is holding Diploma in Business Management. He is the Chairman of Mansingh Hotels and Resorts Ltd. He has 50 years of experience in promoting and managing industrial and commerce enterprises.	Mr. Gujral is a Mechanical Engineer and has over 40 years of experience which includes eight years of strong foundation at Telco (Jamshedpur) and is currently working as Vice President of the Company	Mr. Pradeep Singh Jauhar is COO and Executive Director of the Company. Mr. Jauhar looks after the operations of the company. He is a commerce graduate and has over 25 years of experience in the spring industry
Chairmanships/ Directors of other public companies (excluding foreign companies and section 25 companies)	NIL	Director in: 1. Mahanagar Gas Ltd. 2. English Indian Clays Ltd.	Mansingh Hotels & Resorts Ltd. (Chairman) Parsvnath Developers Ltd. Adayar Gate Hotels Ltd.	NIL	NIL
Chairmanships / Memberships of committees of other public companies (includes only Audit Committee and Shareholders Grievance Committee)	NIL	Member in : 1. Mahanagar Gas Ltd. 2. English Indian Clays Ltd.	Audit Committee Adayar Gate Hotels Ltd. (Chairman) Parsvnath Developers Ltd. Shareholders Grievance Committee Parsvnath Developers Ltd. (Chairman)	NIL	NIL
Number of shares held in the Company	NIL	NIL	5250	6319	1812897
Number of stock Options held in the Company	NIL	NIL	NIL	15000	NIL

NOTES

[illegible]

Cautionary statement

The statements in this annual report detailing the company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, etc. The company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of Subsequent developments, information or events.

Jamna Auto Industries Limited

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