



JMT AUTO LIMITED



**24th ANNUAL REPORT
2010-11**

FORWARD – LOOKING STATEMENT

In this Annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and/or oral that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions.

We cannot guarantee that these forward-looking statements will be realized, although, we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

VISION

- To emerge as the most admired auto component manufacturer with a significant global presence.
- We believe in building a team that is passionate about serving all its stakeholders and is committed to making trust, respect and fellowship, a way of life.
- Continue to be a socially responsible company.

MISSION

- To meet customer needs of today and in the future with precision quality, latest technology, team work and attain greater cost-effectiveness in a progressive, innovative and challenging environment by adopting best business practices and ethics.
- To provide an enriching, rewarding and environment friendly work experience to our employees in an achievement-based, high-performance culture.
- To provide maximum satisfaction to all our stakeholders





Awards



JMT AUTO LIMITED

JMT's Achievement

ZERTIFIKAT • CERTIFICATE • 認証証書 • CERTIFICADO • CERTIFICAT



America

CERTIFICATE

The Certification Body of
TÜV SÜD AMERICA INC.
Trading as TÜV SÜD South Asia Pvt. Ltd.

hereby certifies that



JMT AUTO

JMT Auto Ltd. (Eaton Cell)
C 19-20, D 8-12, NS 23-24,
7th Phase Industrial Area, Adityapur
Jamshedpur-832109, Jharkhand (India)

has implemented a Quality Management System
in accordance with:

ISO 9001:2008 and AS9100 B

*The assessment was performed in accordance with the requirements of AS9104A.
TÜV SÜD America Inc. is accredited under the aerospace Registrar Management Program.*

The scope of this Quality Management System includes:

**Machining and Heat Treatment of
Aerospace Metal Components**

Certificate Expiry Date: August 10, 2012

Certificate Registration No: 951 09 5248

Effective Date: August 10, 2009



G. W. Minks

Gary W. Minks
VP, Regulatory Affairs



TÜV SÜD AMERICA INC • 10 Centennial Drive • Peabody, MA 01960 USA • www.TUVamerica.com TÜV

**Contents****Page. No.**

Corporate Information	02
Chairman's Statement	03
Financial Highlights	04
Notice	07
Directors' Report	13
Management Discussion and Analysis Report	21
Corporate Governance	28
CEO/CFO Certification	41
Auditors' Certificate on Corporate Governance	42
Auditors' Report on Financial Statements	43
Balance Sheet	46
Profit & Loss Account	47
Cash Flow Statement	48
Schedules to Accounts	49
Significant Accounting Policies and Notes to Accounts	56
Abstract of the Balance Sheet	66
Attendance Slip and Proxy Form	

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Visit us at: www.jmtauto.com email. Id: jmt.cs@jmtauto.com



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajeev Singh Dugal	Chairman & Managing Director
Mr. Jasjit Singh Dugal	Executive Director
Mr. Brahma Vasudevan	Independent Director
Mr. Sushil Kumar Khawala	Independent Director
Mr. Malkeet Singh Saini	Independent Director

Mr. Nimesh Anand Company Secretary

Mr. Harjinder Singh Chief Financial Officer

M/s. Deloitte Haskins & Sells, Statutory Auditors
Chartered Accountants

IDBI Bank Limited Bankers
Bank of India
Axis Bank
State Bank of India
Small Industries Development Bank of India

M/s. C B Management Services (P) Ltd. Registrar & Share Transfer Agent
P- 22, Bondel Road,
Kolkata- 700 019

224, A.J.C. Bose Road,
Room No. - 902, 9th Floor,
Krishna Building,
Kolkata - 700 017

Registered Office

C-19 & 20, NS - 29-34, D-8-12
7th Phase, Industrial Area,
Adityapur,
Jamshedpur - 832 109

Corporate & Administrative Office

From the Chairman's Desk

Dear Shareholders,

It gives me great pleasure to welcome you to the 24th Annual General Meeting of JMT Auto Limited. The year 2010 enlightened the Global Economy during which growth and optimism returned in ample measure and the economy recovered to its considerable heights. Monetary Policies provided by the Government led to high liquidity and significant growth of business. Economic Growth and higher demands led to significant increase in the prices of commodities. Amidst this period when emerging markets were developing thrice the rate of developed markets, Asia served as an engine of Global Economic Growth and our Indian, sub-continent being a part of the Asian continent continues its march on a trajectory of high economic growth rate.

Your Company has well positioned itself to contribute to the Indian growth by its participation in the core sector of manufacturing of Auto Components.

With the ease of shifting from negative environment, consequent to recovery of economy from global recession in the year 2009-10 JMT has shown optimism and acute business acumen in its forecast and performance for the Fy 2010-11.

During the Fy 2010-11 JMT has recorded the highest ever turnover of ₹ 327.21 crore. To cater to the additional requirements, your company has entered into tie ups with Timken India Limited for rolling and machining Bearing Races, has received the "GO AHEAD" signal for casting of fly wheels for fly wheel assemblies, added new machines and a cell location has been fixed at Plant II for manufacturing of gears and shafts for the World Trucks of Tata Motors. New cells have been constructed exclusively for Caterpillar India and SRT and HR2 10 for HV Axles, Tata Motors. Two furnaces for Carbonizing and one for hardening would shortly be installed at Dharwad unit, Karnataka for TIMKEN and TIMPL. With the above expansion activities the company expects to cross a Gross Turnover of ₹ 400 crore (approx) during the Fy 2011-12.

In my last communication to you, I had mentioned that your company has qualified for Jharkhand Mega Project Policy. It's a pleasure to inform you that your company has received capital subsidy of ₹ 5.00 crore & VAT subsidy of ₹ 0.89 crore against its present claim of ₹ 5.00 crore against Capital Subsidy and ₹ 14 crore (approx) against VAT and Interest subsidy. The remaining subsidies receivables are in the pipeline and are expected to be received during Fy 2011-12.

Your Company is the only company in the State of Jharkhand to be honored with ISO 9001 2008 and AS 9100 B by TUV SUD America INC. for Machining and Heat Treatment of Aerospace Metal Components. Production activities are already in motion and the products have reached the sample stage and on approval of the samples, your company wishes to embark in to this new field by the end of the Fy 2010-11.

We are committed to delivering consistent returns for our shareholders. To this end we have adopted a progressive dividend policy and intend to pay a final dividend of ₹ 0.50 per Share (last Year ₹ 0.25 per Share) in respect of the Fy 2010-11.

Our priorities for the years ahead are clear. We have a plan and it is now our collective job to make it happen. The Board will concentrate on delivering exemplary governance at the highest level to enable our executive team to drive this strategy forward. The economy still gives us reasons to be cautious. Yet in difficult times, our core values of Quality, Values, Services, Innovation and Trust matter more than ever to JMT Customers. These values remain at the heart of strategy and I therefore look forward to the future with confidence.

With an assurance of making every effort to create value for JMT and for all our Shareholders, Bankers, Financial Institutions, Lenders, Suppliers and Customers I sincerely thank all our stakeholders for their continued support and resolute support.

I thank my colleagues on the Board for their strong support and encouragement.

Finally I would like to specially thank the entire team of JMT for their commitment and dedication in creating and sustaining JMT as a World Class Company.

Thank You

Place: Kolkata
Date: 28.05.2011

Rajeev Singh Dugal
Chairman cum Managing Director



FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

DESCRIPTION	2010-11	2009-10	2008-09	2007-08	2006-07
SALES & JOB WORK	29100.02	19093.64	18879.52	20107.61	16251.00
DEPRECIATION	1817.90	1586.85	1603.00	1421.56	1113.95
FINANCE COST	1860.61	1795.67	1723.32	1035.09	542.91
EBIDTA	5132.21	4014.24	4020.40	3595.34	2669.16
PBT	1453.70	680.23	694.08	1138.69	1012.30
PAT	981.81	353.26	346.34	887.87	638.88
DIVIDEND	5%	2.5%	1%	10%	10%
DIVIDEND PAYOUT	71.98	35.99	14.40	143.95	143.95

(₹ in Lakhs)

DESCRIPTION	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008	As on 31.03.2007
NET FIXED ASSET	18662.02	17698.74	17337.51	16273.59	13366.05
SHARE CAPITAL	1439.52	1439.52	1439.52	1439.52	1409.52
RESERVES & SURPLUS	10233.71	8836.11	8528.27	8198.79	7184.87
NET WORTH	11673.23	10275.63	9967.79	9638.31	8626.84
BORROWINGS	15024.10	15512.06	15220.85	13839.40	8219.60

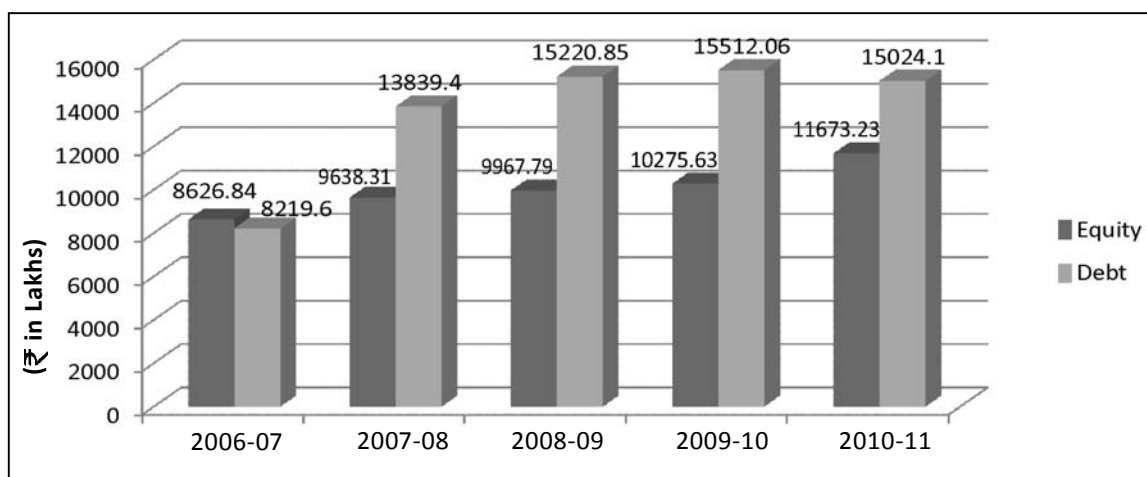
KEY INDICATORS

DESCRIPTION	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008	As on 31.03.2007
EPS (in ₹)	6.82	2.45	2.41	6.17	4.64
BOOK VALUE (per Share in ₹)	81.09	71.38	69.24	66.96	61.20
DEBT: EQUITY RATIO	1.29:1	1.51:1	1.53:1	1.44:1	0.95:1
NET PROFIT MARGIN (%)	3.37	1.85	1.83	4.42	3.93

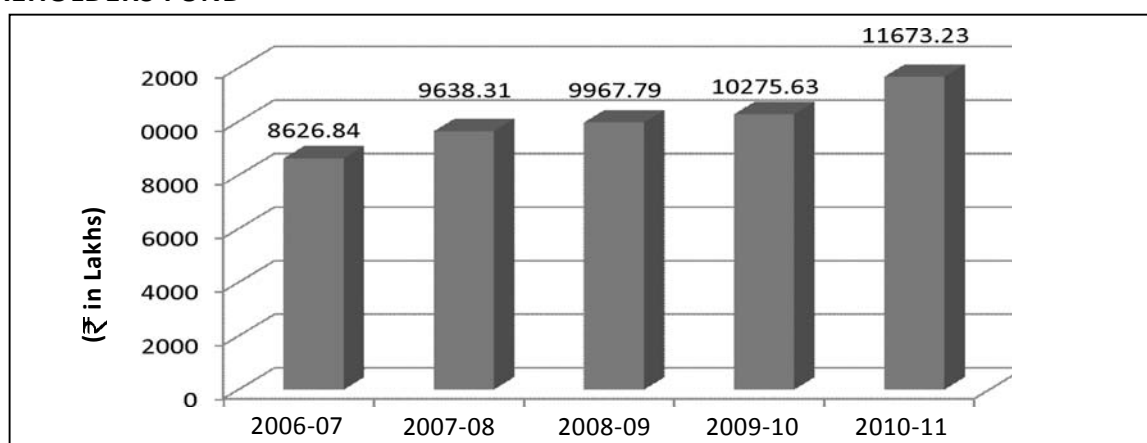


5 YEARS TREND

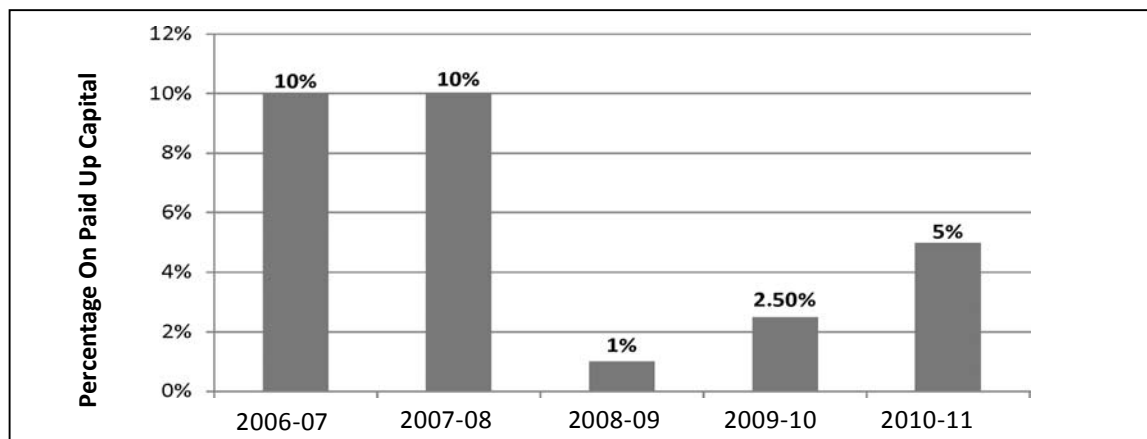
DEBT EQUITY RATIO

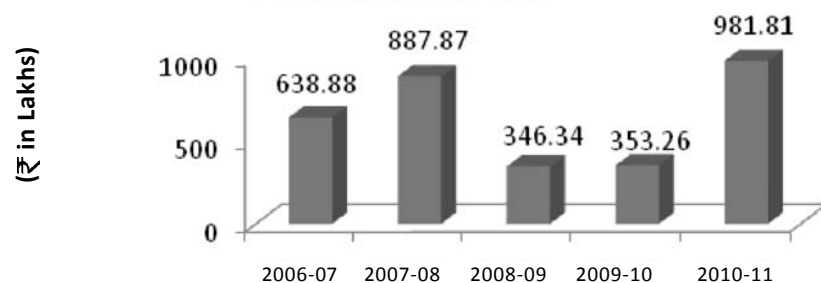
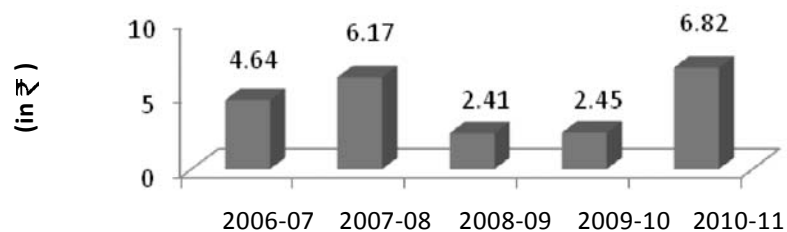
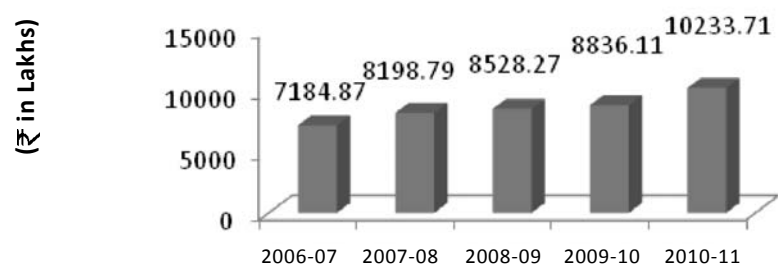
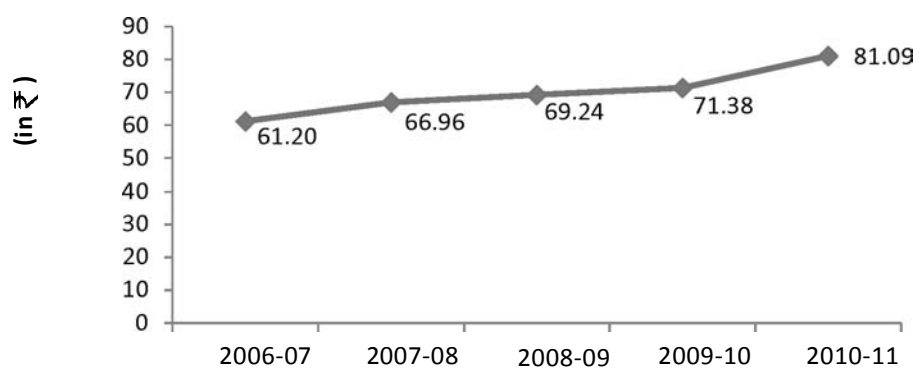


SHAREHOLDERS FUND



DIVIDEND



**PROFIT AFTER TAX****EARNING PER SHARE****RESERVES AND SURPLUS****NET WORTH PER SHARE**



NOTICE

The 24th Annual General Meeting of JMT AUTO LIMITED will be held at Kala Mandir (Kala Kunj) 48, Shakespeare Sarani, Kolkata-700017 on Thursday, the 14th day of July, 2011 at 10.00 A.M. to transact the following business : -

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date and the reports of the Board of Directors and Auditor's thereon.
2. To declare Dividend on Equity Shares of the Company for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Sushil Kumar Khowala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants,(Registration No. 302009E) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus reimbursement of service tax, out of pocket, travelling and living expenses."

SPECIAL BUSINESS

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

"RESOLVED THAT in partial modification to Resolution No. 5 passed by the Members at the 22nd Annual General Meeting held on August 25, 2009, and resolution no. 5 passed by the Members at the 23rd Annual General Meeting of the Company approving the terms of remuneration of Mr. Rajeev Singh Dugal as Managing Director, the Company hereby approves, in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the increase in remuneration of Mr. Rajeev Singh Dugal for the remaining period of his tenure of office, with effect from August 1st, 2010, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT all other terms and conditions of re-appointment of Mr. Rajeev Singh Dugal as approved earlier by the Members, shall remain unchanged."

RESOLVED FURTHER THAT Mr. Jasjit Singh Dugal, Whole Time Director of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended up to date, the company hereby approves the re-appointment of Mr. Jasjit Singh Dugal as the Executive Director of the Company, who has been re-appointed by the Board of Directors, for a period of Three(3) years ending on 31.03.2013, on the terms and conditions as set out in the draft Agreement submitted to this meeting and signed by Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors or a Committee thereof to alter and vary the terms and conditions of the said appointment and /agreement as may be agreed to between the Board or a Committee thereof and Mr. Jasjit Singh Dugal within the applicable provisions of the Companies Act, 1956."



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

"RESOLVED that pursuant to Section 163(1) of the Companies Act, 1956 the Company hereby accords its approval that the Register of Members and the index of members be kept at the office of Company's Registrar and Share Transfer Agent, viz., M/s. C.B. Management Services Pvt. Limited, P- 22, Bondel Road, Kolkata- 700 019 instead of being kept at the Registered Office of the Company".

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act 1956, in respect of the special business under Item Nos. 5, 6 and 7 above, is annexed hereto.
2. Pursuant to 205A(5) and 205C of the Companies Act, 1956, Unclaimed final dividend for the year 2003-04 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Govt. of India. All Shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s C.B. Management Services Private limited, P- 22, Bondel Road, Kolkata- 700 019. the RTA of the Company or at the Corporate and Administrative office the Company at C-19-20, D-8-12, NS-29-34, 7th Phase Industrial Area, Adityapur, Jamshedpur by submitting an application. Kindly note that no claims will lay against the Company or the IEPF once the dividend amount is deposited in IEPF.
3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be received at the Company's Registered Office not less than forty-eight hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agents, M/s. C B Management Services (P) Ltd. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and M/s. C B Management Services (P) Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. C B Management Services (P) Ltd.
5. Members may avail the facility of dematerialization by opening Depository Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get equity share certificates held by them dematerialized.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from 09.07.2010 to 14.07.2010 (both days inclusive) for the purpose of ascertaining entitlement of Dividend.

If the Final Dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on July 19, 2011 as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on July 8, 2011;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 8, 2011.
7. Reserve Bank of India has initiated NECS for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with M/s. C B Management Services (P) Ltd.



8. **The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. C. B. Management Services (P) Ltd.**
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents, M/s. C. B. Management Services (P) Ltd.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. C. B. Management Services (P) Ltd. for consolidation into a single folio.
11. Members/ Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting.
12. Members may please note that the Dividend Warrants are payable at par at the designated Branches of the Bank printed on the reverse of the Dividend warrants for an initial period of 3 months only and thereafter the Dividend Warrant on revalidation is payable only at limited centers/ branches. The members are therefore advised to encash Dividend Warrants within the initial validity period.
13. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by the Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion or change in such bank details.
14. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
15. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies of the Annual Report to the meeting.



As required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed/ re-appointed in the forthcoming Annual General Meeting is given below:

APPOINTMENT / RE-APPOINTMENT

Name of Director	Mr. Shushil Kumar Khowala	Mr. Jasjit Singh Dugal
Date of Birth	06-07-1964	19-01-1946
Date Of appointment	20-01-2003	09-02-2001
Qualification	Chartered Accountant	B. Sc.
Professional Experience / Expertise	He is a member of the "The Institute of Chartered Accountants of India" and has over 20 years' Industrial expertise in different areas of Audit, Corporate Law & Taxation.	35 years' experience in machining segment of Engineering industry with vast knowledge in machining.
List of companies in which outside Directorships held as on 31 st March, 2011	1. G.Raj & Co. (Consultants) Ltd. 2. Brahmanand Himghar Ltd.	Nil
Chairman of the Committees of the Board of the Companies on which he is a Director as on 31 st March, 2011	4	Nil
Members of the Committee of the Board of Companies on which he is a director as on 31 st March, 2011	6	3
Share Holding in JMT Auto Limited as on 31 st March, 2011	NIL	2878

By order of the Board of Directors

Place : Kolkata
Date : 28.05.2011

Nimesh Anand
Company Secretary

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

ITEM NO.5

Taking in to account the prevailing trends in the financial sector in terms of Compensation package the Members of the Company at the 23rd Annual General Meeting held on 29th July, 2010 approved the partial modification to the resolution no. 5 passed by Members at the 22nd Annual general Meeting, approving the re –appointment and terms of remuneration of Mr. Rajeev Singh Dugal as Managing Director of the company remaining period of his tenure of office the following terms and conditions with effect from 1st November 2009:-

- (a) Salary : ₹ 1.25 lakh per month.
- (b) Perquisites, Allowances, Benefits, Facilities & Amenities such as Furnished Residential accommodation or House Rent Accommodation, Medical Reimbursement, Leave Travel Assistance / Allowance, Membership Fees of clubs Hospitalization and Accidental Insurance and any other perquisites etc., as per the policy / Rules of the Company provided that the aggregate valued of such perquisite shall not exceed ₹ 6 (six) lakh per annum.
- (c) He shall also be entitled to (i) Company maintained car with driver. (ii) Telephone & Fax at Residence, (iii) Companies contribution to PF and Superannuation fund, (iv) Payment of gratuity and other retirement benefits, and (v) Encashment of leave.

The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII to the Companies Act, 1956.

The remuneration including the benefits and Amenities aforesaid shall nevertheless be paid and allowed as the minimum remuneration for any year in the event of absence or inadequacy of profits for such year.

The remuneration of Mr. Rajeev Singh Dugal, Managing Director of the Company has been recently revised w.e.f. 1st day of August, 2010. This increase was done taking into consideration the prevailing trends in the financial sector in terms of compensation packages, prevailing rate of inflation and increase cost of living standards. It is proposed to revise the Salary Scale of Mr. Rajeev Singh Dugal from the present scale of ₹ 1,25,000.00 per month to ₹ 1,60,000.00 per month w.e.f. 1st August, 2010. However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee in their meeting held on 28th day of August, 2010 have approved the proposal of increase in their remuneration, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The above variation in the terms of remuneration of Mr. Rajeev Singh Dugal, Managing Director of the company as mentioned in Item No. 5 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Rajeev Singh Dugal, Managing Director, is in any way concerned or interested in this resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Mr. Rajeev Singh Dugal.

**ITEM NO.6**

Mr. Jasjit Singh Dugal has been re- appointed as the Executive Director of the company for a further period of 3 (Three) years up to 31st March, 2013.

a) Nature of Duties :

Mr. Jasjit Singh Dugal shall carry out such duties as may be entrusted to him, subject to the supervision and control of the Board of Directors and he shall also perform such other duties and services as shall from time be entrusted to him by the Board of Directors.

b) Salary :

₹ 12,000/- per month with authority to the Board, which expression shall include a Committee thereof, to fix his salary from time to time. The annual increments will be merit based and take into account the Company's performance, such increments shall fall due on 1st April of every succeeding year.

c) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year the profits are inadequate, the Company will pay remuneration for a period not exceeding one year by way of salary as specified above, subject to the approval by resolution passed by the Remuneration Committee constituted in compliance with Schedule XIII to the Companies Act, 1956.

ITEM NO. 7

As per Section 163(1) of the Companies Act, 1956 certain Registers and Documents which are normally required to be kept at the Registered Office of the Company could be kept at a place other than the Registered Office, within the City Town or Village, in which Registered office of the Company is situated provided such other place has been approved by the Members by way of a Special Resolution. The Company is interested in keeping the Register of members and the index of members with the Registrar and Share Transfer Agent of the Company and hence, the approval of the members is sought in terms of Proviso to the Section 163(1) of the Companies Act 1956 for keeping the aforementioned registers and documents at the office of the Registrar and Share Transfer Agent as stated in the resolution.

Directors recommend the resolution as proposed in the Notice for Member's approval.

None of the Directors of the Company is interested in the resolution.

Place : Kolkata

Date : 28.05.2011

By order of the Board of Director

Nimesh Anand
Company Secretary



DIRECTORS' REPORT

Your Directors have immense pleasure in presenting their Twenty Fourth Annual Report along with the Audited Results of the company for the year ended 31st March, 2011.

OPERATING AND FINANCIAL REVIEW

(₹ in lakhs.)

PARTICULARS	Year ended 31.03.2011	Year ended 31.03.2010
Gross Turnover	32720.62	21486.63
Earnings before Interest, Depreciation & Tax and amortization (EBITDA)	5132.21	4014.24
Interest and financial charges	1860.61	1795.67
Depreciation	1817.90	1586.85
Provision for Taxation	471.89	326.97
Net Profit After Tax	981.81	353.26
Profit/(Loss) Brought forward from Previous Year	3514.46	3203.31
Profit available for appropriation as under:	4496.27	3556.57
Dividend on Equity Shares	71.98	35.99
Corporate Tax on Dividend	12.23	6.12
Surplus carried to Balance Sheet	4412.06	3514.46

DIVIDEND

The Board has recommended a dividend @ 5.0% (₹ 0.50 per share) for the year ended 31st March, 2011 in tune to the increased profit of the Company subject to the approval of the shareholders at the Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on July 14, 2011; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals and the shareholders aspirations.

RESERVE AND SURPLUS

Reserves and surplus of the Company increased from ₹ 8836.11 lakhs in 2009-10 to ₹ 10233.71 lakhs in the 2010-11. The Company has a Net worth of ₹ 11673.23 as on 31st March, 2011 in comparison to ₹ 10,275.63 as on 31st March, 2010.

STOCK EXCHANGE REQUIREMENTS

The Equity shares of the Company are being traded at Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai and at National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai.



CREDIT RATING

In order to comply with BASEL - II Guidelines your Company has got the rating done by M/s Credit Analysis & Research Ltd. (CARE).

CREDIT RATING AGENCY	LONG TERM/ MEDIUM TERM BANK FACILITIES	SHORT TERM BANK FACILITIES
CARE	CARE BBB	PR3

FIXED DEPOSITS

As in the previous year your Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 from the Shareholders / Public during the year under review.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

As required by Pollution control laws, the Company has already submitted Environmental Statement for the Fy 2010-11 to the State Pollution Control Board.

The Company continues to accord priority to Environment, Occupational Health and Safety with a commitment to achieve and sustain the highest international standards by keeping emission level as low as possible.

WASTE WATER MANAGEMENT

The Company has taken all possible steps towards implementation of Rain Water Harvesting System Implementation and Waste Management Services working in tandem with Aquakraft Water Solutions.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm:

1. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profits for the year ended on that date.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts have been prepared on a going concern basis.

DIRECTORS

Mr. Sushil Kumar Khowala, Director of the Company, who retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

None of the Directors are disqualified for being appointed as the Directors as specified in Section 274(1)(g) of the Companies Act, 1956.

AUDITORS

M/s. Deloitte Haskins & Sells, Statutory Auditors of the company will retire at the ensuing Annual General meeting of the Company and are eligible for re-appointment. Shareholders are requested to re-appoint the auditors.



The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mr. Mohan Ram Goenka, Practicing Company Secretary, to conduct Secretarial Audit of records and documents of the Company.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

The relevant data regarding the above is given in the Annexure-I hereto and forms part of this report.

EMPLOYEES

None of the employees fall within the category mentioned in section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

RELATED PARTIES

Part B (xvii)(b) of Schedule U of the Accounts sets out the nature of transactions with the related parties. Transactions with the Related Parties are carried out at the arm's length. The details of such transactions are placed before the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

In terms of societal and environmental contribution, the company has contributed to many philanthropic activities like free eye check up camps, donating money and clothes to the poor and needy, blood Donation camps, spreading education among the low privileged section of the society, planting trees across all its units and developing new gardens at its working sites. The company also contributes financially to mitigate the hardships by providing material help to orphanages. The company trains employable local youth and provides training to them under earn and learn scheme.

ENVIRONMENT, HEALTH AND SAFETY

In terms of its responsibility towards environment, the initiatives undertaken by the company include planting of trees in the vacant land of the plants, creating new gardens, Rain Water Harvesting, usage of transparent sheets for natural sunlight inside the plant, use of turbo ventilators for ventilation purpose and for minimizing the carbon footprints, use of propane gas in the heat treatment plants for reducing the carbon emissions, minimizing effluents through better



monitoring and corrective measures, reduction of quantum of input material, whether it is steel, or usage of inert gases for welding through Value Analysis/Value Engineering activities.

The company follows all statutory and safety norms. Safety is accorded prime importance in the organization. The company has the safety committee in each plant, which oversees the workforce's safety, through ensuring safe conditions and actions. Safety audits and evacuation drills are conducted regularly and all staff members are encouraged to take part in the same and regular training for the awareness of the employees.

Your company has a personal Accident Insurance Policy (group) for ensuring welfare and security to the employees and their families.

ACKNOWLEDGEMENTS

The Board of Directors place on record their gratitude for the co-operation, patronage and support received from Financial Institutions, Bankers, Government Bodies and Employees at all levels.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 28 .05.2011

Rajeev Singh Dugal
Managing Director

ANNEXURE TO DIRECTOR'S REPORT

Annexure - 1

INFORMATION UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS' RULES), 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

CONSERVATION OF ENERGY

The company's commitment to energy conservation continues. Energy conservation measures include optimum utilization of energy intensive machines, introduction of energy efficient technologies etc. All measures have resulted in cost savings for the Company. In order to conserve energy and natural resources the company has taken constant efforts to conserve energy and natural resources and reduced consumption of Power, Fuel, Oil, Water and other energy sources by way of the following :-

1. Optimization of lightening fixtures in administrative areas.
2. Installation of Auto Power Cut-Off for electrical energy consumption.
3. Energy saving in utility by proper machine planning.
4. Close monitoring of fuel consumption.
5. Emphasis on non-conventional energy sources.
6. Creating overall awareness to avoid wastage of water and turning power-off when not in use.

FORM A

(A) Power and Fuel Consumption

1.	Electricity	Current Year	Previous Year
	Purchase units (KWH) (In Lakhs)	424.22	304.65
	Total Amount (₹ In Lakhs)	1846.45	1257.66
	Average Cost per Unit (₹)	4.35	4.13
2.	(a) Furnace Oil	Current Year	Previous Year
	Quantity (Litre) (In Lakhs)	11.27	11.89
	Total Cost (₹ In Lakhs)	305.34	286.18
	Average Cost per Litre (₹)	27.09	24.08
	(b) Propane Gas	Current Year	Previous Year
	Quantity (K.G.) (In Lakhs)	5.79	12.58
	Total Cost (₹ In Lakhs)	234.17	436.66
	Average Cost per K.G. (₹)	40.46	34.71
	(c) Others / Internal Generation	Current Year	Previous Year
	Units (KWH) (In Lakhs)	23.27	11.38
	Units/Litre of Diesel Oil (KWH)	3.11	3.08
	Average Cost per unit. (₹)	10.67	10.05

**(B) Consumption per unit of production**

(In ₹)

Product	Current Year	Previous Year
Electricity (KWH)	3.28	3.53
Furnace Oil (Litre)	0.09	0.14
Propane Gas (K.G.)	0.04	0.15

FORM B**I. Research and Development**

- Better fixturing & stacking of case carburizing of rings.
- Failsafe implementation on certain gear parameters.
- Development of Critical Part drawings and programming through Auto CAD/CAM facilities.

II. Benefits derived as a result of the above R & D :

- Percentage of defects brought down drastically.
- Rejection brought to zero level.
- Development of critical parts with higher precision.

III. Future plan for action :

- Improvement of machine utilization.
- Continuous up gradation of technology.
- Inroads into forging with forging plant of its own
- Enter into export market of similar kind of products.

IV. Expenditure on R & D :

a. Capital	} The development work is carried on by the concerned departments continuously. No separate record of the expenditure incurred on R & D.
b. Recurring	
c. Total	
d. Total R & D Expenditure as a percentage of total turnover.	

TECHONOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts in brief made towards Technology Absorption, Adaptation and Innovation**

- Constructive measures have been taken to improve productivity through better utilization of the measures, efficient plant layout, highly skilled work force, improving cutting tools relevant to the latest international standards.
- Considering higher batch sizes for product manufacturing with uninterrupted power to eliminate wastage. Different statistical tools are being used for continuous process improvement for achieving 100 % waste elimination.
- Continuous efforts are made to develop precision forgings gear blanks to reduce raw material cost as well as total manufacturing cost as a part of continuous improvement strategy.

2. Benefits derived as a result of the above efforts

- Overall raw material and energy consumption per ton of the product has been further reduced.
- Overall cutting tool cost has been reduced to a considerable extent by achieving better tool life.
- Combination of few operations has helped to achieve the target cost of the product.

**3. Imported Technology:**

- a. Technology Imported : Nil
- b. Year of Import : NA
- c. Has the technology been fully absorbed : NA

(C) Sales comprises of F.O.B. value of export {including Deemed Export of ₹ 765.91 Lakhs (previous year ₹ 445.82 Lakhs)} during the Fy 2010-11, total F.O.B Value of export was ₹ 4035.47 Lakhs (previous year ₹ 1265.54 Lakhs).

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to Exports, initiatives to increase exports, Development of new Export Markets for Products and Services and Export plans:
The Company has taken initiative to export in the Global market and its product has been well accepted.
2. Total Foreign Exchange used and earned:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
a. Earning (FOB Value of Export) :	3269.56	819.72
b. Expenditure :	0.38	0.47

For and on behalf of the Board of Directors

Place : Kolkata
Date : 28.05.2011

Rajeev Singh Dugal
Chairman & Managing Director



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company had adopted the JMT's Code of Conduct for its employees including the Managing Director and Whole-time Directors as well as the Non-Executive Directors.

I confirm that the company has in respect of the financial year ended 31st March, 2011 received from the Senior Management team of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the employees in the cadre of Deputy General Manager and above, including the Company Secretary, as on the 28th May, 2011.

Place : Jamshedpur
Date : 28.05.2011

Rajeev Singh Dugal
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL SCENARIO ON GLOBAL FRONT

Companies in the manufacturing sector have a robust outlook on demand conditions in FY12; as much as 88% of the manufacturing companies surveyed expect sales volumes to increase, over FY11. On the workforce front, majority of the companies, both in the manufacturing and services sectors, expect to witness an increase during FY12.

Among the manufacturing sectors, companies in the capital goods and automobile industries are the most optimistic, with nearly 70% of the companies expecting an increase in their employee count. Among the services sectors, companies in the insurance sector are most optimistic, with nearly 80% of them expecting an expansion in their employee strength in FY12.

Rising input prices is likely to remain a cause for worry for companies; close to three-fourths (72%) of the companies in the manufacturing sector anticipate input prices to continue their upward journey during FY12. On profit expectations, among manufacturing sectors, capital goods and auto component companies are the most optimistic, while textile companies are the least optimistic.

With the recovery of global Economy from the worldwide recession and penetration of Global player in the Indian Commercial vehicle Industry, hope of the Indian Auto component makers reaches the peak for a better business opportunity for the Industry overall.

AUTOMOBILE SEGMENTS 2011-12 GROWTH

Vehicle Category	% growth over 2010-11
Passenger cars	16-18%
Utility vehicles	12-14%
LCV (goods)	18-21%
MHCV (goods)	10-12%
Commercial vehicles (buses)	8-10%
Motorcycles	11-13%
Scooters	15-17%
Three wheelers (Cargo)	4-6%
Three wheelers (passengers)	10-12%
Automobile Industry	12-15%

AUTO COMPONENT MARKET AND PROSPECTS ON THE DOMESTIC FRONT

DOMESTIC SALES

The growth rate recorded for Domestic Sales for 2010-11 was 26.17 percent amounting to 15,513,156 vehicles. However, the month of March 2011 registered a lower growth rate of 19.42 percent as compared to the cumulative data of 2010-11.

Passenger Vehicles segment grew at 29.16 percent during April-March 2011 over same period last year. Passenger Cars grew by 29.73 percent, Utility Vehicles grew by 18.87 percent and Multi-Purpose Vehicles grew by 42.10 percent in this period. In March 2011 figures for domestic sales of Passenger Cars show a growth of 24.37 percent over the same month last year which is lower than 2010-11 growth.

The overall Commercial Vehicles segment registered growth of 26.97 percent during April-March 2011 as compared to



the same period last year. While Medium & Heavy Commercial Vehicles (M&HCVs) registered growth of 31.78 percent, Light Commercial Vehicles grew at 22.88 percent.

EXPORTS

During April-March 2011, overall automobile exports registered a growth rate of 29.64 percent. Passenger Vehicles registered marginal growth at 1.64 percent in this period. Commercial Vehicles, Three Wheelers and Two Wheelers segments recorded growth of 69.51 percent, 55.86 percent and 35.04 percent respectively during April-March 2011.

In March 2011 compared to March 2010, inspite of the fact that the overall automobile exports registered a lower growth of 19.64%, your company managed to achieve a considerable increase in the exports as compared to the financial year 2010.

GLOBAL OUTLOOK

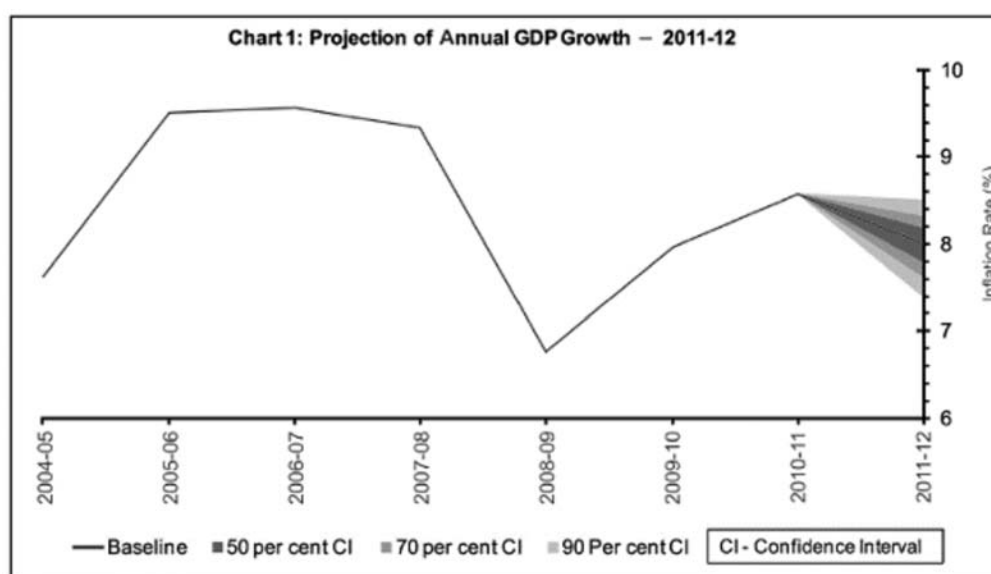
The world economy is moving from a post-crisis bounce-back phase of the recovery to slower but still solid growth. Developing countries will contribute almost half of global growth. Growth in both high-income and developing countries is expected to slow somewhat in 2011, mainly reflecting the easing already observed in the second half of 2010, before picking up again toward mid 2011, settling at rates close to their longer-run potential. Global GDP is projected to increase by 3.3-and 3.6 percent during 2011 and 2012, with developing economies expanding by 6-or more percent in each year, more-than twice the 2.4 and 2.7 percent growth expected for high-income countries.

DOMESTIC OUTLOOK

Real GDP growth for 2010-11 was estimated at 8.6 per cent. Signs of moderation, however, emerged in the second half of the year. Particularly significant were the slowdown in capital goods production and investment spending. Going forward, high oil and other commodity prices and the impact of the anti-inflationary monetary stance will weigh on growth. Most business confidence surveys conducted by various agencies show a decline in business confidence. The Reserve Bank's IOS conducted during March 2011, as mentioned earlier, indicates some moderation in business expectations for the quarter ended June 2011.

Growth is expected to moderate in 2011-12 from its pace in 2010-11. First, notwithstanding the preliminary indication of a normal monsoon by the India Meteorological Department (IMD) during 2011, agriculture growth is likely to revert to its trend growth from the higher base of last year. Second, the pace of industrial activity has been slowing mainly due to the impact of past monetary policy actions and high input prices. External demand too may slow if global recovery slackens.

Based on the assumption of a normal monsoon and crude oil prices averaging US\$ 110 a barrel over 2011-12, the baseline projection of real GDP growth for 2011-12 for policy purposes is placed at around 8 per cent. The growth is projected to be in the range of 7.4 per cent and 8.5 per cent in 2011-12 with 90 per cent probability.





UNION BUDGET 2011: “FOR AUTOMOBILE INDUSTRY, BUDGET IS IN NEUTRAL GEAR”

The automobile industry appreciated Finance Minister Mr. Pranab Mukherjee for not changing excise duty rates and welcomed the tax concessions for environment friendly vehicles. It is a neutral budget for the auto sector. While presenting the budget for 2011-12 in the Lok Sabha, Mr. Mukherjee said: “The Indian automobile market is the second fastest growing in the world and has shown nearly 30 per cent growth this year.”

HIGHLIGHTS

- Retained the custom duty rates on auto components.
- Retained the excise duty on small cars, two wheelers and three wheelers at 10%.
- Enhanced and unified the export duty on all types of iron ore to 20% ad valorem. Export duty on iron ore pellets fully exempted.
- Full exemption of basic customs duty on stainless steel scrap.
- Reduced the basic customs duty on Ferro-nickel from 5% to 2.5%.
- To launch National Mission for hybrid and electric vehicles.
- Reduced excise duty from 10% to 5% on Hybrid kits and its parts for conversion of fossil fuel vehicles to hybrid vehicles.
- A concessional rate of excise duty at 5% is being extended to specified part of Hybrid motor vehicles, namely, battery pack, battery charger, AC/DC electric motors and motor controllers till 31.03.2013.

RBI'S REVIEW

In its annual monetary Policy review for 2011-12, RBI set its policy rates as follow:

- **Repo Rate** has been decided to increase under the liquidity adjustment facility (LAF) by 50 basis points from 6.75 per cent to 7.25 per cent and
- **Reverse Repo Rate** under the LAF, determined with a spread of 100 basis point below the repo rate, automatically adjusts to 6.25 per cent with immediate effect.
- **Cash Reserve Ratio (CRR)** of scheduled banks has been retained at 6.0 per cent of their NDTL.
- **Bank Rate** has been retained at 6.0 per cent.

OPPORTUNITIES AND THREATS

The auto components industry is expected to grow by 16-18 per cent in 2011-12 and by 13-15 per cent in 2012-13, respectively. A moderation in domestic automobile production after two years of strong growth will lead to moderation in OEM demand for auto components. Auto component exports are also expected to grow on a revival in global auto production and increasing penetration of companies in key export markets. Replacement demand is expected to grow at slower pace with continued threat of cheaper imports. Over the next five years, auto component industry is expected to grow by 14 -16 per cent.

Major Driving forces leading to the increased opportunities and growth for Auto component sectors are increase in demand for vehicles, in the domestic and international market, availability of low-cost skilled manpower, high-quality standards, and De-regulation and policy initiatives of the government of India such as lower excise duties, realization of VAT, etc., and FDI up to 100 per cent permitted through the automatic route for manufacturers of automobiles and components.



The first half of 2010-11 saw the return on investment declining for automotive companies. Exports have shown a revival posting a growth of 15 per cent over the previous year with the US economy showing signs of recovery and because of the new entrants sourcing components from India for their other markets.. In 2009-10 the market did not grow due to the impact of the financial crisis.

Despite the automotive industry witnessing a growth of 28 per cent in 2010-11, the profitability level has fallen, which causing concern. The withdrawal of Duty Entitlement Passbook (DEPB) from June 30, 2011 may hurt automotive component manufacturers particularly the small and medium enterprises that cater to the export market.

The industry is grappling with the commodity price hike and declining profits. With no Value Added Tax in place, the removal of DEPB will make the Indian automotive industry uncompetitive in global market.

CHALLENGES, RISKS AND CONCERNS

Raising Capital to meet the growth trajectory, Scaling Capacities ahead of the demand, Infrastructure Deficit & Cost - Energy & Logistics, Maintaining productivity gains ahead of inflation, Availability of Skilled Manpower, Building Research & Development Competence and Developing Managerial Depth across the tiers of the Industry have been the major challenges faced by the Autocomponent manufacturers.

Due to rising competition and growth potential, auto component industry has been exposed to risks of varying intensity. The components manufacturers are required to constantly invest to upgrade themselves and to add value.

JMT AUTO LIMITED - THE YEAR IN BRIEF

I) FINANCIAL OVERVIEWS

(i) GROSS TURNOVER

The Company has consistently shown a considerable increase in its Turnover evident from the figures below :-

Fy 2010-11				₹ In crore
TURNOVER	Q1 (ending on 30.06.2010)	Q2 (ending on 30.09.2010)	Q3 (ending on 31.12.2010)	Q4 (ending on 31.03.2011)
DOMESTIC	60.17	67.36	74.98	83.61
EXPORTS	6.88	10.65	10.89	12.66

Your Company has achieved a Gross Turnover of ₹ 327.21 crore in the Fy 2010-11, which exceeds last year's turnover of ₹ 214.87 crore by 51% and expects to cross ₹ 400 crore during Fy 2011-12.

(ii) RESERVE & SURPLUS

The Company's Reserve & Surplus has increased by 15.82% from ₹ 88.36 crore in the Fy 2009-10 to ₹ 102.34 crore in the Fy 2010-11 by way of increase in profits and receipt of Capital Subsidy of ₹ 5.00 crore from Jharkhand State Government under Mega Project Policy.

(iii) BORROWING FUNDS

The Company had maintained a better working capital management, timely repayment of Term Loan Installment and also taken fresh Term Loan from banks for further Capital Expansion in order to remove the existing bottlenecks in our Production Line. The amount of Secured Loan in the Fy 2010-11 was ₹ 148.23 crore as compared to ₹ 148.22 crore in the Fy 2009-10. However the Debt Equity Ratio of the Company has improved from 1.51:1 in last Fy 2009-10 to 1.29:1 in current Fy 2010-11.

**(iv) INTEREST COST**

The Company has paid Interest Cost of ₹ 18.61 crore for the Fy 2010-11 as compared to ₹ 17.96 crore in Fy 2009-10. The Company has maintained the same level of Interest cost inspite of the increased bank lending rate by 2% - 3% by means of proper Funds management and good planning.

(v) INVENTORY LEVEL

The Company has maintained the Inventory Level of ₹ 104.97 crore for the Fy 2010-11 as compared to ₹ 102.08 crore for the Fy 2009-10 even after an increase of 51% in Gross Turnover in Fy 2010-11, thus improving our Inventory Turnover Ratio from 47.51% in Fy 2009-10 to 32.08% in Fy 2010-11. Our target for the next year is to achieve an Inventory Turnover Ratio of 25% by means of proper management and planning.

II) GEOGRAPHICAL SEGMENT-WISE PERFORMANCE

The company's sales are primarily to domestic automobile component segment, however also has a share in the export segment during the year under review, the company achieved domestic sales of ₹ 291.26 crores as against ₹ 192.00 crores in the previous year and export sales of ₹ 33.86 crores as against ₹ 8.66 crores in the previous year.

III) SWOT ANALYSIS**Strength:**

1. Diversification of Product line, Customer Segment, technology.
2. New Product Development, customer retention, repeat clients.
3. Efficient Man power management.
4. On time Supply of Products to Customers.

Weakness:

1. Fragmented.
2. Inadequate technical competence compared to Global companies.
3. Relatively weak R&D Facilities.

Opportunities:

1. Proposed Huge Infrastructure spending to propel growth and demand.
2. Increased global and local demand of Commercial vehicles.

Threats:

1. Volatile Raw Material prices.
2. Volatile foreign exchange rates.
3. Increased Global Competition.
4. High Interest Rates.



IV) AWARDS AND CERTIFICATIONS FOR THE FY 2010-11

1. For Quality Standards TS 16949 - 2009 and AS 9100 B from Adityapur Industrial Area Development Authority (AIADA).
2. Certificate of appreciation for outstanding performance and valuable contribution from HV Transmissions Limited for :
 - (i) Quality
 - (ii) Delivery,
 - (iii) Ramp up of Gears and Shafts
 - (iv) New product Development and
 - (v) Business Association
3. Certificate of appreciation for Outstanding Performance and valuable Contribution towards Delivery from HV Axles Limited.
4. Certificate of Appreciation for achieving IMARQ targets and as a Self Certified Supplier from Tractors and Farms Equipment Limited.

V) HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The year 2010-11 has witnessed Company's constant efforts in strengthening Human Resources, providing them better working environment with advanced infrastructure, which helps them explore the talent. As usual, the establishment has been contributing a lot to the State by generating new employment opportunities. With the end of this year the employee's strength has reached 640 which includes rich pool of Graduate Engineers, Diploma Holders, Management Graduates, Chartered Accountant and Technicians.

The Company is providing intensive in-house training to employees of all levels for improving competence, production, enhancing safety and social values. Achieving high morale and motivation is the ultimate goal of each training program. JMT organizes various training and Skill development programs for Stress Management, Leadership and Managerial Skill Development programs for the Employees. The management expects to continue the customized development program of employees during the current year also and enjoys cordial relations with its employees at all levels.

Training sessions are provided to the younger generations who have completed their education, to enrich their knowledge and to acquaint themselves to the corporate environment and to help them to get better employment opportunities in any other industry, within the nation or abroad.

Industrial Relations during the year continued to be cordial and peaceful. The Management Team place on record the excellent co-operation and contribution made by the employees at all levels of the organization to the continued growth of the Company.

VI) INTERNAL CONTROL SYSTEMS

The company's internal control system has been designed for:-

- (i) Accurate recording of transactions with internal checks and prompt reporting
- (ii) Adherence to applicable Accounting standards and policies
- (iii) Compliance with applicable statues, policies, listing requirements, management policies and procedures.
- (iv) Effective use of resources and safeguarding of assets.



The Internal control system provides for well documented policies/guidelines, authorizations and approval procedures. The company through its own Internal Audit Department carries out periodic audit at all locations and brings out any deviations from the internal control procedures. The observations arising out of audit are periodically reviewed and compliance is ensured. The summary of the Internal Audit observations is submitted to the Audit Committee of the Board of Directors. The status of the implementation of the recommendations is reviewed by the committee on a regular basis and concerns, if any, are reported to the Board.

VII) CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the company's objectives, projections, estimates and expectations may be 'forward looking statements'. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the forging industry - global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-11

The Company has been following High standards of Corporate Governance Principles, Policies and Practices over the years.

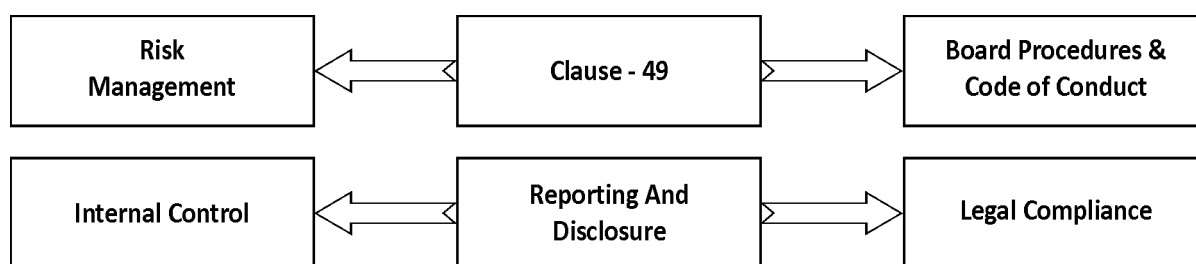
1. JMT'S GOVERNANCE POLICY

The company's philosophy on corporate governance is usually marked by the following fundamental principles:

- Ethical and Disciplined Corporate Behavior.
- Independent and Considered Judgment.
- Parity between Accountability and Responsibility.
- Transparency and effective and Adequate disclosures.

The company believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and safeguarding the shareholders' trust. In our commitment to practice sound governance principles, we are guided by the following core principles:-

1. Code of Conduct and Ethics for Directors and Senior Management
2. Improving Quality and Frequency of Information Flow to the Board, Audit Committee to enable them to discharge their functions effectively.
3. A Sound System of Risk Management and Internal Control
4. Transparency and Accountability.
5. Compliance with all Rules and Regulations.
6. Sound policy on prevention of Insider Trading.
7. Develop processes for various disclosure and reporting requirements.



In view of the revised Clause 49 of the Listing Agreement with Stock Exchanges, the Company continuously follows the procedure of Corporate Governance for ensuring and protecting the rights of its shareholders by means of transparency, integrity, accountability, trusteeship and checks at the different levels of the management of the Company.

2. BOARD OF DIRECTORS

The Company's philosophy is to maintain an optimum combination of Executive and Non-Executive Directors. The composition of the Board, Attendance at Board Meetings held during the year and at the last Annual General Meeting, Number of Directorships in other public Companies and Committees across various public companies of which the Director is a Member / Chairman are given below:-



Name of the Director	Designation	Status & Category	No. of Board meetings attended during 2010-11	Attendance at last AGM	No. of Outside Directorship	Committee Position - Member	Committee Position - Chairman
Mr. Rajeev Singh Dugal	Chairman-cum-Managing Director	Executive Non-Independent	06	Yes	01	Nil	Nil
Mr. Jasjit Singh Dugal	Whole-Time Director	Executive Non-Independent	06	No	Nil	03	Nil
Mr. Brahma Vasudevan	Director	Independent Non-Executive	Nil	Yes	01	01	Nil
Mr. Sushil Kumar Khowala	Director	Independent Non-Executive	06	Yes	02	06	04
Mr. Malkeet Singh Saini	Director	Independent Non-Executive	06	Yes	01	06	03

Present Board comprises of five members. Two of the members are Executive Directors (ED) and three Directors on the Board are Independent Directors, who have no business and /or professional relationship with the Company. The Non-Executive Directors with their diverse knowledge, experience and expertise bring independent judgment in the deliberations and decisions of the Board. There is no Nominee or Institutional Director on the Board of the Company.

BOARD MEETINGS AND ATTENDANCE

The Company's Corporate Governance Policy requires the Board to meet at least four times in a year. As against this, during the financial year ended 31st March, 2011 six meetings of the Board were duly held. The intervening period between two Board meetings was well within the maximum time gap of four months prescribed under clause 49 of the Listing Agreement.

During the year 2010-11, 6 (Six) Board meetings were held on 29.05.2010, 29.06.2010, 26.07.2010, 13.11.2010, 31.01.2011 and 24.03.2011.

BOARD AGENDA

The Annual calendar of meetings is agreed upon at the beginning of each year. Meetings are governed by a structured agenda. The Board members in consultation with the chairman may bring up any matter for the consideration of the Board. All major issues included in the agenda are backed by comprehensive background information to enable the Board to take informed decisions.

COMMITTEES OF THE BOARD

The Board of Directors has constituted three (3) committees of the Board- **the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee**. The Board determines the terms of reference of the Board Committees from time to time. The respective Committee Chairman convenes meetings of the Board Committees. Minutes of the Committee meetings are placed before the Board for perusal and noting. The quorum for meetings of all the Committees is either two members or one-third of the members of the Committees, whichever is higher. Each committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist it in its work.

3. AUDIT COMMITTEE

The role of the Audit Committee has been strengthened and all major changes in financial policies are reviewed or approved by this Committee.

**COMPOSITION**

The Audit Committee constituted in line with the composition as prescribed by the code of Corporate Governance & it consists of the following directors:

- | | | | | | |
|----|--------------------------|---|----------|---|-------------------------------------|
| 1. | Mr. Sushil Kumar Khowala | - | Chairman | - | Non Executive Independent Director. |
| 2. | Mr. Malkeet Singh Saini | - | Member | - | Non Executive Independent Director |
| 3. | Mr. Jasjit Singh Dugal | - | Member | - | Whole Time Executive Director |

All the members of the Audit Committee are financially literate. Mr. Sushil Kumar Khowala, Non Executive Independent Director of the Company is the Chairman of the Audit Committee. The Chief Financial officer attends the meeting of Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The committee also invites Senior Accounts Managers, as it consider appropriate to be present at the meeting of the committee. The terms of reference of Audit Committee are quite comprehensive and include all that is mandated under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Chairman of the Audit Committee was present at the last Annual General Meeting to answer shareholders queries.

DUTIES AND RESPONSIBILITIES

- a) Serve as an Independent and objective party to monitor the Company's Financial Reporting Process and Internal Control Systems.
- b) Review and appraise the audit efforts of Company's Statutory Auditors and Internal Audit Department.
- c) Provide an open avenue of communication among the Statutory Auditors, Financial and Senior Management, Internal Audit Department and the Board of Directors.

POWERS

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

ACTIVITIES**(a) DOCUMENTS/REPORTS REVIEW**

- The Committee at the meetings reviews the Quarterly/Annual Financial Statements.
- It reviews the regular internal reports to the management prepared by the Internal Auditors including significant findings and follow-up actions and also management's response.
- Discusses with the Statutory Auditors before the commencement of Audit, the nature and scope of Audit, and also post audit discussion to ascertain areas of concern.
- Reviews the disclosure of Company's financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviews with the management the Quarterly/Annual financial statements before submission to the Board focusing primarily on :-
 - i) Any changes in accounting policies and practices.
 - ii) Major accounting entries.
 - iii) Significant adjustments arising out of audit.
 - iv) Compliance with Accounting Standards.
 - v) Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - vi) Any related party transactions.
- Reviews the Company's financial and risk management policies
- Reviews the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 1956.

**STATUTORY AUDITORS**

- i) Recommends to the Board of Directors, the selection of the Statutory Auditors and approves the fees paid to them. The Committee also discusses annually with the Auditors, all significant relationships that the Auditors have with the Company to determine their independence.
- ii) Reviews the performance of the Statutory Auditors
- iii) Periodically holds consultation with the Statutory Auditors about the Internal Controls and the Accuracy of the Organization's Financial Statements.

FINANCIAL REPORTING PROCESS

- i) Reviews the Integrity of the Organization's Financial Reporting Processes, both external and internal.
- ii) Considers and approves major changes to the Company's auditing and accounting principles and practices as suggested by the Management or Internal Auditors.

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

Four meetings of the Audit Committee were held during the year on 29.05.2010, 26.07.2010, 13.11.2010 and 31.01.2011 and the same were attended by Head of Finance, Senior Manager Finance. The Attendance of each member of the committee is given below.

Members	No. of Meeting Attended
Mr. Sushil Kumar Khowala	04
Mr. Malkeet Singh Saini	04
Mr. Jasjit Singh Dugal	04

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Company, inter alia, recommends to the Board, Compensation payable to the Executive Directors and the senior most level of management immediately below the Executive Directors for appointments on the Board and Senior Management positions. It evaluates performance of the Board, Executive Directors and Non-Executive Directors on predetermined parameters.

The Committee recommends the induction of Directors in various Committees Reviews the HR policies and assists the Board in the implementation of the policy on "Prohibition of Insider Trading and Fraudulent and Unfair Practices".

Thus, the Remuneration Committee of the Company constituted by the Board of Directors has a wide scope including deciding the remuneration of the Executive Director, retirement benefit to be paid to him, service contract, notice period, severance fees and dealing with matters pertaining to Employees' Stock Option Scheme as approved by the Board of Directors.

COMPOSITION

The Remuneration Committee comprises of :

- | | | | | | |
|----|--------------------------|---|----------|---|-------------------------------------|
| 1. | Mr. Sushil Kumar Khowala | - | Chairman | - | Non Executive Independent Director. |
| 2. | Mr. Malkeet Singh Saini | - | Member | - | Non Executive Independent Director. |
| 3. | Mr. Brahma Vasudevan | - | Member | - | Non Executive Independent Director. |



One meeting of the Remuneration Committee was held during the year on 28.08.2010. The Attendance of each member of the committee is given below.

Members	No. of Meeting Attended
Mr. Sushil Kumar Khowala	01
Mr. Malkeet Singh Saini	01
Mr. Brahma Vasudevan	00

REMUNERATION POLICY

The Company follows a market linked remuneration policy, which is aimed at attracting and retaining the best talent. Compensation is also linked to individual and team performance as they support the achievement of corporate goals. The Company does not, at present, have an Employee's Stock Option Plan.

REMUNERATION TO DIRECTORS

DETAILS OF REMUNERATION PAID TO ALL DIRECTORS IN THE FINANCIAL YEAR 2010-11

DIRECTOR	SITTING FEES (₹)	SALARY & PERQUISITES (₹)	TOTAL (₹)
Mr. Rajeev Singh Dugal, Managing Director	N.A	21,85,694.00	21,85,694.00
Mr. Jasjit Singh Dugal, Executive Director	N.A	1,44,000.00	1,44,000.00
Mr. Sushil Kumar Khowala Independent Non-Executive Director	20,000.00	N.A	20,000.00
Mr. Brahma Vasudevan Independent Non-Executive Director	Nil	N.A	Nil
Mr. Malkeet Singh Saini Independent Non-Executive Director	20,000.00	N.A	20,000.00
GRAND TOTAL	40,000.00	23,29,694.00	23,69,694.00

There are no stock options available/ issued to any Directors of the Company and this does not form a part of their contract with the Company. The Non Executive Independent Directors of the Company namely Mr. Sushil Kumar Khowala, Mr. Brahma Vasudevan and Mr. Malkeet Singh Saini do not hold any shares of the company as on 31.03.2011.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

- i) The Shareholder's Grievance Committee comprises of :
 1. Mr. Sushil Kumar Khowala - Chairman - Non Executive Independent Director.
 2. Mr. Malkeet Singh Saini - Member - Non Executive Independent Director.
 3. Mr. Jasjit Singh Dugal - Member - Whole Time Executive Director.
- ii) Mr. Sushil Kumar Khowala, Non Executive Independent Director of the company is the Chairman of the Committee. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities of the Company. The Committee also looks into redressal of shareholders' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.



The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading Regulations), 1992. The Board has delegated the power of approving transfer of securities to the Managing Director and the Company Secretary.

6. **COMPLIANCE OFFICER**

During the financial year 2010 -11, Mr. Lalit Lohia was the Compliance Officer of the Company for complying with the requirements of the SEBI (Prohibition of Insider trading) Regulations, 1992 and the Listing Agreement with the Stock Exchanges in India. However with effect from February 14, 2011 Mr. Nimesh Anand joined the company in place of Mr. Lalit Lohia as the Compliance Officer of the Company for the aforesaid purpose of Compliances.

STATUS OF COMPLAINTS FOR THE PERIOD 2010-11

1. Number of complaints received from the investors comprising of Non-receipt of Dividend Warrants, Non-Receipt of Securities sent for transfer /transmission. Complaints received from SEBI etc.	31
2. Number of complaints resolved	31
3. Number of complaints not resolved to the satisfaction of the investors as 31 st March, 2011	Nil
4. Complaints Pending as at 31 st March, 2011	Nil
5. Number of share transfer pending for approval as at 31 st March, 2011	Nil

During the year ended 31st March, 2011, the Shareholder's Grievance Committee hold 10 (Ten) meetings on 30.04.2010, 29.05.2010, 29.06.2010, 31.07.2010, 31.08.2010, 30.09.2010, 30.10.2010, 30.11.2010, 31.12.2010, and 31.03.2011 and the same was duly approved by the members of the committee.

7. **DISCLOSURES**

- Materially significant related party transactions, which may have potential conflicts with the interests of the Company at large. – **None, except for the transactions specified in Note B (xvi) of Schedule U.**
- Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/ Statutory Authorities on any matter related to capital markets during the last three years.- **None**
- Pecuniary relationships or transactions with Non-Executive Directors.- **None**

8. **CODE OF CONDUCT**

The Code of Conduct which has been formulated and implemented for all Board members and Senior Management of the company is in compliance with Clause 49 of the Listing Agreement. All Board members and senior management personnel has affirmed compliance of the "Code of Conduct for members of the Board and Senior Management" for the period in terms of Clause 49(ID)(I) of the Listing Agreement with the Stock Exchanges.

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained affirmation from all the members of the Board and Senior Management that they have complied with the Code of Business Conduct and ethics for Directors and Senior Management in respect of the financial year 2010-11.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 28.05.2011

Rajeev Singh Dugal
Chairman & Managing Director



CEO / CFO CERTIFICATION

The CEO / CFO certification as required under Clause 49 is annexed hereto which forms part of this report.

GENERAL BODY MEETINGS

Location, date and time of the Annual General Meetings held during the preceding 3 financial years are as follows :-

YEAR	AGM/EGM	LOCATION	DATE
2007-2008	AGM	The Golden park 13, Ho-Chi Minh Sarani Kolkata-700071	12.09.2008
2008-2009	AGM	Sitaram Seksaria Auditorium, Bharatiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	25.08.2009
2009-2010	AGM	The Golden park 13, Ho-Chi Minh Sarani Kolkata-700071	29.07.2010

No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

SPECIAL RESOLUTIONS PASSED IN THE LAST 3 AGM'S

- Re-appointment of Mr. Rajeev Singh Dugal as the Managing Director of the company.
- Re-appointment of Mr. Jasjit Singh Dugal as the Whole Time Director of the company.

MEANS OF COMMUNICATION

- The Company publishes as per the Listing Agreement, the quarterly results in two widely circulated newspapers from Kolkata, namely :
English Newspaper : Business Standard/The Financial Express
Bengali Newspaper : Kalantar/ Arthik Lipi
- Shareholding pattern and Quarterly Financial Results are accessible on NSE and BSE website.
- Presentations were also made to the analysts, institutional investors, fund managers etc. from time-to-time.
- Management's Discussions & Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

GENERAL SHAREHOLDERS' INFORMATION

(i) AGM date, Time and Venue	14 th July 2011 at 10.00 A.M. at "Kala Mandir" Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017"
(ii) As required under clause 49IV(G), particulars of directors seeking appointment/reappointment are annexed to the notice of the Annual General Meeting to be held on 14.07.2011.	
(iii) Financial Year	The Financial year of the company is from April 1 to March 31, each year.



(iv) Key Financial Reporting Dates for the year 2011-12	
1. For the quarter ending June 30, 2011	On or before 14.08.2011
2. For the quarter ending Sept 30, 2011	On or before 14.11.2011
3. For the quarter ending Dec 31, 2011	On or before 14.02. 2012
4. For the year ending March 31, 2012	On or before 30.05. 2012
(v) Date of Book Closure	<i>The Share Transfer Books and the Register of Members shall remain closed from 09.07.2011 to 14.07.2011 (Both days inclusive). Notice to this effect has been sent to all Stock Exchanges where the shares of the company are listed as per the Listing Agreement.</i>
(vi) Dividend Payment Date	19.07.2011

LISTING ON STOCK EXCHANGE

A. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal street, Mumbai 400001 B. National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex Bandra East Mumbai-400051.	
(vii) Stock code: Trading Symbol-	BSE : JMT Auto – 513691 NSE : JMTAUTO LIMITED Series : EQ
International Security Identification No. (ISIN) in NSDL and CDSL	INE 988E01010

(viii) The listing fees for the year 2011 -12 have been paid to the above Stock Exchanges in time as per the listing Agreement.

The Company has Paid custodial fees for the year 2011-12 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the Basis of Number of Beneficial Accounts maintained by them as on 31st March, 2011.

**(ix) MARKET INFORMATION****BOMBAY STOCK EXCHANGE LIMITED AND NATIONAL STOCK EXCHANGE**

High, Low (based on closing prices) and average volume and average number of trades during each month in last financial year 2010-11.

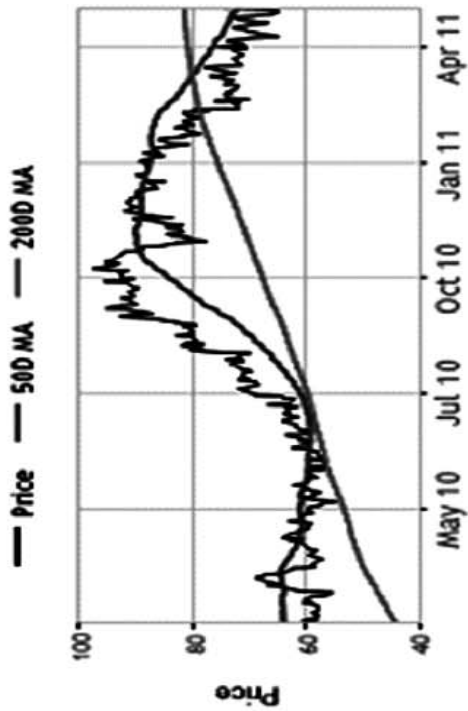
MONTH	Bombay Stock Exchange			National stock Exchange		
	HIGH (₹)	LOW (₹)	VOLUME OF SHARES TRADED	HIGH (₹)	LOW (₹)	VOLUME OF SHARES TRADED
APRIL, 2010	66.00	58.00	32,232	66.90	57.50	40,304
MAY, 2010	63.00	52.60	38,438	64.45	54.00	41721
JUNE, 2010	65.00	56.20	43,628	70.00	55.50	38941
JULY, 2010	73.00	58.90	67,736	72.00	58.00	59990
AUGUST, 2010	80.00	67.45	53,310	76.85	66.60	165821
SEPTEMBER, 2010	95.00	71.05	1,57,693	94.00	70.90	186722
OCTOBER, 2010	98.80	85.10	57,810	98.95	83.40	56435
NOVEMBER, 2010	99.90	73.00	45,729	99.95	77.90	41528
DECEMBER, 2010	95.90	79.30	1,10,170	94.60	77.20	31940
JANUARY, 2011	94.95	83.00	1,87,029	92.95	83.30	656708
FEBRUARY, 2011	91.90	75.35	20,602	88.50	78.30	17690
MARCH, 2011	83.90	69.00	3,00,345	83.50	68.55	769946

(x) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2011

RANGE OF SHARES	SHARES	FOLIOS	% SHARES	% FOLIOS
1-500	912491	7516	6.34	95.67
501-1000	152693	176	1.06	2.24
1001-2000	101991	64	0.71	0.81
2001-3000	68917	26	0.48	0.33
3001-4000	47672	13	0.33	0.17
4001-5000	64523	14	0.45	0.18
5001-10000	121403	15	0.84	0.19
10001-50000	543753	21	3.78	0.27
50001-100000	173172	3	1.20	0.04
MORE THAN ABOVE	12208589	8	84.81	0.10
TOTAL	14395204	7856	100.00	100.00

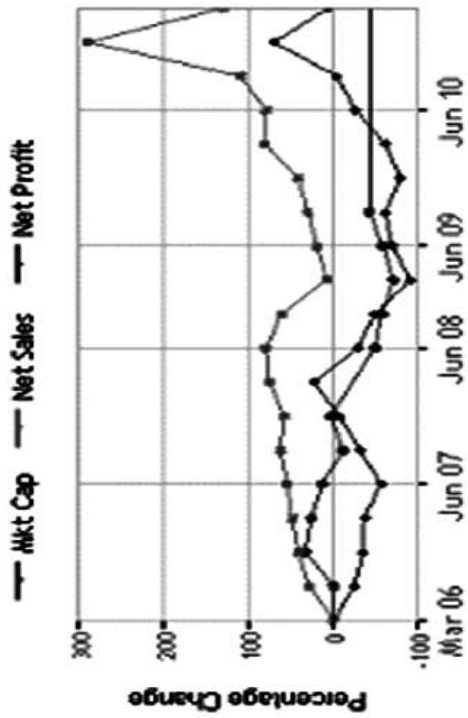


Price Movement



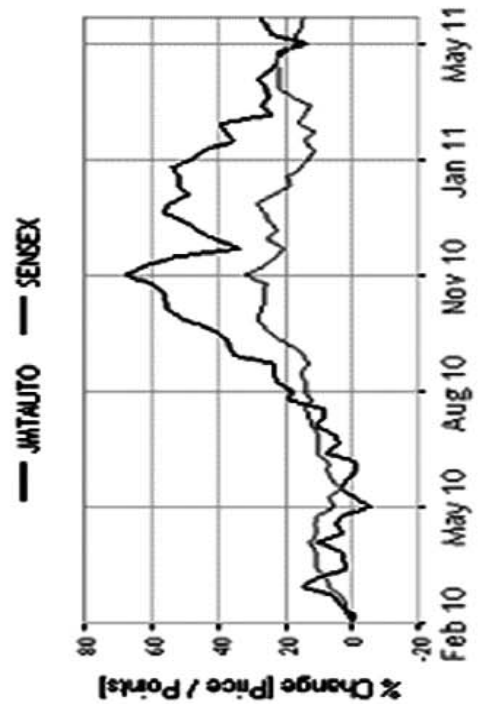
Sources : BSE Plus

Performance Chart



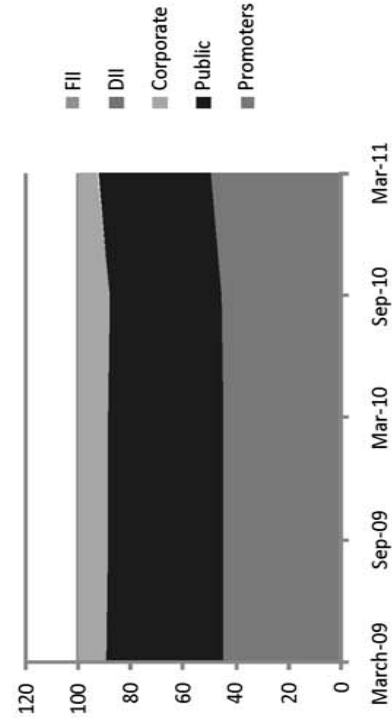
Sources : BSE Plus

Index Comparison



Sources : BSE Plus

Ownership Pattern



**(xi) REGISTRAR AND SHARE TRANSFER AGENTS**

Members are requested to correspond with the Company's Registrar & Share Transfer Agents for both connectivity (Physical and Electronic)

M/s C B Management Services Pvt. Ltd.

P- 22, Bondel Road

Kolkata – 700 019

Telephone : 033- 40116722/40116726

Fax : (033) 2287 0263

E-mail : rta@cbmsl.com/tkb.official@gmail.com

(xii) SHARE TRANSFER SYSTEM**(a) Physical form**

Shares for transfer can be lodged either at the Registered Office of the Company or with C.B.management Services (P) Ltd. Registrar and Share Transfer Agents, at the above mentioned address.

Transfers are normally processed within 30 days, from the date of lodgment, provided the documents are complete in all respects. The managing Director and the Compliance officer are empowered to approve transfers.

b) Demat Forms

The Company has made arrangements to dematerialize its shares through national Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) . All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days. Grievances received from members and other miscellaneous correspondence regarding change of address, mandates, etc. are processed by the Registrars within 30 days.

(xiii) SHAREHOLDERS' SERVICES, ENQUIRIES & COMPLAINTS

It has been our endeavor to provide prompt, efficient and satisfactory services to our esteemed shareholders. We have taken special care in answering the queries of shareholders within the shortest possible time frame. We provide shareholder services in the following time frame:

Nature of Query	No. of days for Disposal
Share Transfers	30 days
Demat of Shares	15 days
Dividend Revalidation	15 days
Issue of New Shares on surrender of old	30 days
Change of address/ Bank Mandate	7 days
General Queries	10 days

(xiv) DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the Company are compulsorily traded in dematerialized form as per SEBI guidelines with effect from 25th January, 2002.

The Company's shares are traded in the depository systems of both NSDL and CDSL. As on 31st March, 2011, 94.90 % of the equity capital exists under the electronic form. The equity shares of the Company are actively traded on BSE and NSE.

**(xv) SHAREHOLDING PATTERN AS ON 31.03.2011**

CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
A. PROMOTERS HOLDING		
1. INDIAN		
Individuals/HUF	1318846	9.16
Bodies Corporate	5835061	40.53
Sub-Total	7153907	49.70
2. FOREIGN		
Total Shareholding of Promoter & Promoter Group	7153907	49.70
B. PUBLIC SHAREHOLDING		
1. Institutions		
Mutual Funds and UTI	13200	0.09
Foreign Institutional Investors		
2. Non-Institutions		
a. Bodies Corporate	1077846	7.49
b. Individuals		
Holding nominal share capital up to ₹ 1 lakh	1316644	9.15
Holding nominal share capital in excess of ₹ 1 lakh	291862	2.03
c. Any other		
Non-resident Indians	107342	0.75
Foreign Bodies Corporate/ OCB	4387491	30.48
Clearing Members	46912	0.33
Sub –Total	7241297	50.30
C. Shares held by custodians & against which Depository receipts have been issued	–	–
GRAND TOTAL	14395204	100.00

(xvi) PLANT'S LOCATIONS

The Company has the following manufacturing and operating divisions:

Sl. No.	Work Unit Description	Location /Address
(i)	Works (Unit 1)	A-20, Phase-1, Industrial Area, Adityapur Jamshedpur-832109 Teleph : 0657 – 6626020
(ii)	Works (Unit II & III)	C-19 &20, D-2-3, D-8-12, NS-29-34, 7 th Phase, Industrial Area, Adityapur, Jamshedpur-832109. Teleph : 9 -657 – 6515343/6626301 Fax : 9 -657 – 2200749/2200280
(iii)	Work Unit – IV (Foundry)	Notandih, Kandra Chauka, Main Road, Dist : Seraikela, Kharsawan Telph: 9386411314.



Sl. No.	Work Unit Description	Location /Address
(iv)	Works (Forging Unit)	A-45, A-46, A-47, A-48(P) & M-2 At Large Sector, Gamharia. Tele: 8657-6626602.
(v)	Works (Unit VI)	NS-57, 7 th PHASE, Industrial Area, Adityapur, Jamshedpur-832109. Tele: 0657-6515427
(vi)	Works (unit VII) Lucknow	Village – Naubasta, Kalan, Lucknow, On Line Mark, (Deva to Naubasta Marg), Uttar Pradesh Tele: 0522-3210741
(vii)	Work Units at Dharwad	1. Plot No. 222, KIADB, Belur Industrial Growth Centre Belur Dharwad-580011, Karnataka Tele: 0836-2486804. 2. Plot No. 224-A, KIADB, Belur Industrial Growth Centre Belur, Dharwad-580011, Karnataka, Tele: 0836-2486805 3. Block No. 2, KIADB, Belur Industrial Estate Garag Road, Mummigatti, Dharwad-580 007, Karnataka Tele : 9243245181

(xvii) INVESTORS' CORRESPONDENCE

Transfer of shares and communication regarding share certificates, dividends and change of address and any other queries relating to the shares of the Company.	<p>(i) JMT Auto Limited 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata-700017 Tele : 033-30581043</p> <p>(ii) JMT AUTO LIMITED C-19 & 20, 7th Phase, Industrial Area Adityapur, Jamshedpur-832109 Tele : 657-6626340/6626333 Fax : (0657) 2200 749 E-mail : jmt.cs@jmtauto.com jmtauto@jmtauto.com</p> <p>(iii) Registrar & Share Transfer Agent C B Management Services Pvt. Ltd. P- 22, Bondel Road, Kolkata-700 019 Tele : 033-40116722/40116726 Fax : (033) 2287 0263 E-mail : rta@cbmsl.com, tkb.official@gmail.com</p>
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(xviii) RECONCILIATION OF SHARE CAPITAL AUDIT

The Securities and Exchange Board of India has directed vide circular no. D&CC/FITTC/CIR – 16/2002 dated December 31, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories' viz. NSDL and CDSL and in physical form with the total issued/ paid up capital.

In compliance with this requirement, the company has submitted a certificate duly certified by a qualified practicing company secretary, to the stock exchanges where securities of the company are listed within 30 days of the end of each quarter and the certificates were also placed before the Board of Directors of the company from time to time.



Certification by Chairman cum Managing Director and Chief Financial Officer of the Company

To,
The Board of Directors
JMT Auto Limited,
224, A.J.C. Bose Road,
Krishna Building,
9th Floor, Room No. 902,
Kolkata-700017

Dear Sirs,

In terms of Clause 49 of the Standard Listing Agreement, We, Mr. Rajeev Singh Dugal, Chairman cum Managing Director and Mr. Harjinder Singh- Chief Financial officer of the company, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge, belief and information:
 - i) These statements do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge, belief and information no transactions entered into by the Company during the financial year 2010-11 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and that we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in the internal control during the year
 - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (e) We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board members and senior management personnel have affirmed compliance of Code of Conduct for the year 2010-11.

For JMT AUTO LIMITED

Place : Kolkata
Date : 28.05.2011

Rajeev Singh Dugal
Managing Director

Harjinder Singh
Chief Financial Officer



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE

To the Members of JMT Auto Limited

We have examined the compliance of conditions of Corporate Governance by JMT Auto Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor 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 JMT Auto Ltd. nor the efficiency with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 302009E)

Place : Kolkata
Date : 28.05.2011

A. Bhattacharya
Partner
(Membership No. 054110)

AUDITORS' REPORT TO THE MEMBERS OF JMT AUTO LIMITED

1. We have audited the attached Balance Sheet of **JMT Auto Limited** (the "Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in paragraph 3 above, we report that :
 - (a) *As indicated in Note (xvi)(b)(i) on Schedule U(B) of the Notes to Accounts the Central Government's approval under section 297 of the Companies Act, 1956 is awaited in respect of certain transactions aggregating ₹ 127.67 lakhs (purchase and sell of goods and services indicated therein).*
 - (b) *The Company has not obtained the approval of the Central Government in respect of transactions during the year with companies in which a director of the Company is interested within the meaning of Section 297 of the Companies Act, 1956. Such transactions (purchase and sell of goods and services) aggregate to ₹ 57.15 lakhs (Previous Year ₹ 106.30 lakhs).*
 - (c) *The Company has not obtained the approval of the Central Government in respect of transactions with a company in which a director of the Company is interested within the meaning of Section 295 of the Companies Act, 1956. Such transactions during the year aggregate ₹ NIL (previous year – ₹ 50 lacs – loans given and repaid).*
5. Further to our comments in the Annexure referred to in paragraph 3 and paragraph 4 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) *Subject to the matters described in paragraph 4 above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 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 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 302009E)

A. Bhattacharya
Partner
(Membership No. 054110)

Place : Kolkata
Date : 28.05.2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xii), (xiii), (xiv) and (xix) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, excepting for certain items where the date of purchase and quantitative details of its fixed assets has not been mentioned; we are informed that the same is in the process of updation.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

 - (a) The Company has taken loans aggregating ₹ 10 lakhs from one party during the year. At the year-end, the outstanding balance of such loans taken together with balances at the opening of the year aggregated ₹ 201.29 lakhs and the maximum amount involved during the year was ₹ 430.95 lakhs (number of parties three).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.



- (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year or in any earlier years.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management needs to be strengthened to make it commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of automotive parts and accessories and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xv) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) The Company has not raised any money through public issue during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 302009E)

A.Bhattacharya
Partner
(Membership No. 054110)

Place : Kolkata
Date : 28.05.2011



BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	₹ In Lakhs	AS AT 31.03.2011 ₹ In Lakhs	₹ In Lakhs	AS AT 31.03.2010 ₹ In Lakhs
I. SOURCES OF FUNDS					
a) SHAREHOLDERS' FUNDS					
(i) Share Capital	A	1,439.52		1,439.52	
(ii) Reserves and Surplus	B	10,233.71	11,673.23	8,836.11	10,275.63
b) LOAN FUNDS					
(i) Secured Loans	C	14,822.81		14,822.49	
(ii) Unsecured Loans	D	201.29	15,024.10	689.57	15,512.06
c) DEFERRED TAX LIABILITIES (NET) {refer note B(xiv), Schedule U}			1,860.99		1,658.71
			28,558.32		27,446.40
II. APPLICATION OF FUNDS					
a) FIXED ASSETS :	E				
(i) Gross Block		28,450.66		25,670.00	
(ii) Less: Depreciation		10,693.43		8,881.19	
(iii) Net Block		17,757.23		16,788.81	
(iv) Capital Work - In-Progress		904.79		909.93	
			18,662.02		17,698.74
b) INVESTMENTS	F		1.15		1.00
c) CURRENT ASSETS, LOANS AND ADVANCES					
(i) Inventories	G	10,497.15		10,208.14	
(ii) Sundry Debtors	H	3,322.37		2,579.48	
(iii) Cash and Bank Balances	I	427.83		319.20	
(iv) Other Current Assets	J	259.67		240.35	
(V) Loans and Advances	K	1,388.74		1,140.31	
		15,895.76		14,487.48	
Less :					
d) CURRENT LIABILITIES AND PROVISIONS					
(i) Current Liabilities	L	5,836.45		4,547.41	
(ii) Provisions	M	164.16		193.41	
		6,000.61		4,740.82	
NET CURRENT ASSETS			9,895.15		9,746.66
			28,558.32		27,446.40
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	U				

The Schedules referred to above form an integral part of the Balance Sheet.
In terms of our report attached

On Behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Rajeev Singh Dugal
Chairman & Managing Director

Jasjit Singh Dugal
Director

Place : Kolkata
Dated : 28.05.2011

Nimesh Anand
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	₹ In Lakhs	Year Ended 31.03.2011 ₹ In Lakhs	₹ In Lakhs	Year Ended 31.03.2010 ₹ In Lakhs
I INCOME					
a) Gross Sales		30,884.21		20,495.29	
Less : Excise Duty and Others		3,620.60		2,392.99	
Net Sales			27,263.61		18,102.30
b) Job Works {Tax Deducted at Source ₹ 39.68 Lakhs (Previous Year ₹ 22.51 Lakhs)}			1,836.41		991.34
c) Other Income	N		278.45		259.61
			29,378.47		19,353.25
II EXPENDITURE					
a) Operating Expenses	O		22,493.74		13,764.46
b) (Accretion) / Decretion of Stock	P		(227.08)		(239.38)
c) Payment and Benefit to Employees	Q		1,119.52		985.34
d) Administrative Expenses	R		501.63		545.68
e) Selling and Distribution Expenses	S		358.45		234.40
f) Interest and Finance Cost	T		1,860.61		1,795.67
g) Depreciation			1,817.90		1,586.85
			27,924.77		18,673.02
III PROFIT					
PROFIT BEFORE TAX			1,453.70		680.23
TAXES					
(I) Current tax {net of excess provision of earlier years ₹ 67.94 Lakhs (Previous Year ₹ 43.84 Lakhs)}		269.61		112.87	
(II) Deferred Tax {Refer to Note B(xiv) of Schedule U}		202.28		214.10	
			471.89		326.97
PROFIT AFTER TAXATION			981.81		353.26
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			3,514.46		3,203.31
PROFIT AVAILABLE FOR APPROPRIATION			4,496.27		3,556.57
IV APPROPRIATIONS					
—PROPOSED DIVIDEND ON EQUITY SHARES			71.98		35.99
—TAX ON PROPOSED DIVIDEND			12.23		6.12
BALANCE CARRIED TO BALANCE SHEET			4,412.06		3,514.46
			4,496.27		3,556.57
V EARNINGS PER SHARE (FACE VALUE ₹.10/- EACH)					
BASIC and DILUTED {refer note B(xv), Schedule U}			6.82		2.45
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	U				

The Schedules referred to above form an integral part of the Profit and Loss Account.
In terms of our report attached

On Behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Rajeev Singh Dugal
Chairman & Managing Director

Jasjit Singh Dugal
Director

Place : Kolkata
Dated : 28.05.2011

Nimesh Anand
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	Year Ended 31.03.2011 ₹ In Lakhs		Year Ended 31.03.2010 ₹ In Lakhs	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) Before Tax and Extrordinary Items		1,453.70		680.23
Adjustment for :				
Depreciation	1,817.90		1,586.85	
Interest Expenses	1,860.61		1,747.16	
Bad Debts written off	120.31		317.79	
Interest received	(5.97)		(11.99)	
Foreign Exchange loss / (gain)	(11.41)		(31.99)	
(Gain)/Loss on Disposal of Fixed Assets	2.34		(2.76)	
Sundry Balance and Excess provision written off (net)	(7.28)		(10.74)	
		3,776.50		3,594.32
Operating Profits before Working Capital Changes		5,230.20		4,274.55
Adjustment for :				
(Increase) / Decrease in Trade and Other Receivable	(1,174.91)		(194.52)	
(Increase) / Decrease in Inventories	(289.01)		(910.98)	
Increase/(Decrease) in Trade Payable and Other Liabilities	1,644.26	180.34	736.89	(368.61)
Cash Generated from Operations		5,410.54		3,905.94
Direct Tax Paid		(305.59)		(59.43)
Net Cash from Operating Activities		5,104.95		3,846.51
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(3,133.41)		(1,766.52)	
Sale of Fixed Assets	11.10		8.75	
Capital Subsidy	500.00		—	
Purchase/sale of Investments(net)	(0.15)		(1.00)	
		(2,622.46)		(1,758.77)
Net Cash from Investing Activities		(2,622.46)		(1,758.77)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from borrowings				
Long term	1,823.01		2,644.57	
short term	—		939.00	
Repayment of borrowing				
long term	(2,721.36)		(594.03)	
short term	(917.45)		(1,189.25)	
Net (decrease)/increase in overdraft/cash credit facility	1,398.76		(1,939.50)	
Loan processing fees	(104.24)		(33.79)	
Interest Paid	(1,729.86)		(1,683.18)	
Letter of Credit Charges	(80.62)		(44.50)	
Dividend Paid (Including Corporate Dividend Tax)	(42.11)	(2,373.86)	(17.01)	(1,917.69)
Net Cash from Financing Activities		(2,373.86)		(1,917.69)
Net Increase/(decrease) in Cash & Cash Equivalents		108.63		170.04
Cash and Cash Equivalents- Opening Balance		319.20		149.16
Cash and Cash Equivalents- Closing Balance		301.40		236.22
Bank Balance under lien		126.43		82.98

Notes : 1. Previous year figures have been regrouped / rearranged wherever necessary.
2. Figures in bracket represents outflows.

On Behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Place : Kolkata

Dated : 28.05.2011

Rajeev Singh Dugal

Chairman & Managing Director

Jasjit Singh Dugal

Director

Nimesh Anand

Company Secretary



Schedule to Accounts

	<u>As at</u> <u>31.03.2011</u> <u>₹ in Lakhs</u>	<u>As at</u> <u>31.03.2010</u> <u>₹ in Lakhs</u>
<u>SCHEDULE - A</u>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
15,000,000 (Previous Year 15,000,000) Equity Shares of ₹ 10/- each	<u>1,500.00</u>	<u>1,500.00</u>
<u>ISSUED, SUBSCRIBED and PAID-UP</u>		
14,395,204 (Previous Year 14,395,204) Equity shares of ₹ 10/- each fully paid up	<u>1,439.52</u>	<u>1,439.52</u>
	<u>1,439.52</u>	<u>1,439.52</u>

Notes :-

1. Out of the above subscribed and paid up Capital 18,000 (Previous Year: 18,000) Equity Shares have been allotted as fully paid up for consideration other than in cash, pursuant to an agreement.
2. Out of the above subscribed and paid up Capital 631,794 (Previous Year: 631,794) Equity shares have been issued as fully paid up Bonus Share by capitalisation of the balance in the Profit and Loss Account.

SCHEDULE - B **RESERVES and SURPLUS**

	<u>As at</u> <u>01.04.2010</u>	<u>Additions</u>	<u>Deduction</u>	<u>As at</u> <u>31.03.2011</u>
	₹ in Lakhs			
a) Capital Reserve	25.50	500.00*	–	525.50
b) Share Premium	4,198.21	–	–	4,198.21
c) General Reserve	1,097.94	–	–	1,097.94
d) Profit and Loss Account	3,514.46	897.60	–	4,412.06
	<u>8,836.11</u>	<u>1,397.60</u>	<u>–</u>	<u>10,233.71</u>

*Capital Subsidy received from State Government



Schedule to Accounts

	<u>As at</u> <u>31.03.2011</u> <u>₹ in Lakhs</u>	<u>As at</u> <u>31.03.2010</u> <u>₹ in Lakhs</u>
SCHEDULE - C		
SECURED LOANS		
FROM BANKS		
A) <u>Term Loans</u>		
State Bank Of India		
i) Rupee Loans ⁽¹⁾	1,439.89	2,701.49
Interest accrued and due	16.94	25.61
IDBI Bank Limited		
Rupee Loan ⁽²⁾	3,736.11	3,292.10
Interest accrued and due	–	31.40
B) <u>Working Capital</u>		
State Bank of India ⁽³⁾		
i) Demand Loan (In Foreign Currency)	–	928.22
Interest accrued and due	–	5.44
ii) Cash Credit	2,621.56	4,637.35
IDBI Bank Limited ⁽⁴⁾		
i) Cash Credit	1,599.96	2,835.18
Pre Shipment Credit Facility(In Foreign Currency)	1,649.24	–
Bank of India		
i) Cash Credit ⁽⁵⁾	3,099.95	–
C) <u>Others</u>		
ICICI Bank Limited ⁽⁶⁾	0.36	3.83
HDFC Bank Limited ⁽⁶⁾	15.54	9.19
FROM OTHERS		
Body Corporate ⁽⁷⁾	640.00	350.00
Interest accrued and due	3.26	2.68
	<u>14,822.81</u>	<u>14,822.49</u>

1. Term Loans are secured by a first pari passu charge over entire current assets and fixed assets of the Company both present and future, further secured by guarantee given by one of the Directors of the Company and two associate companies.
2. Term loan is secured by a first pari passu charge over entire fixed assets, second pari passu charge on entire current assets and further secured by guarantee given by one of the directors of the Company.
3. Working Capital facilities are secured by first pari passu charge on all the current assets and fixed assets of the Company both present and future, further secured by guarantee given by one of the Directors of the Company and two associate companies.
4. Working capital facilities are secured by first pari passu charges on all current assets and second charge on entire fixed asset of the Company, both present and future.
5. Working Capital facilities are secured by first pari passu charge on all current assets, both present and future and second pari passu charge on the remaining Block Assets of the company.
6. Loans from ICICI Bank Limited and HDFC Bank Limited are secured by way of hypothecation on the Vehicles financed by them.
7. Term Loan from Body Corporate (Tractors and Farm Equipment Limited) is secured by hypothecation of certain Machinery.

Schedule to Accounts

SCHEDULE - D	As at	As at
UNSECURED LOANS	31.03.2011	31.03.2010
	₹ in Lakhs	₹ in Lakhs
From Banks	–	121.73
From Bodies Corporate	194.00	566.89
Interest Accrued and due	7.29	0.95
	201.29	689.57

Note: Unsecured Loan includes nil amount due within one year {Previous year ₹ 121.73 Lakhs}.

SCHEDULE - E **FIXED ASSETS** ₹ in Lakhs

	GROSS BLOCK(AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.10	Additions During The Year	Sale/ Adjustment During The Year	As at 31.03.11	As at 01.04.10	Addition/ Amortisation During The Year	Sale/ Adjustment During The Year	As at 31.03.11	As at 31.03.11	As at 31.03.10
ASSETS										
Leasehold Land	183.08	9.10	–	192.18*	13.20	1.63	–	14.83	177.35	169.88
Freehold Land	54.66	–	–	54.66	–	–	–	–	54.66	54.66
Building	4,603.30	167.06	–	4,770.36	569.08	153.80	–	722.88	4,047.48	4,034.22
Plant and Machinery	20,271.90	2,585.69	–	22,857.59	8,005.39	1,599.92	–	9,605.31	13,252.28	12,266.51
Furniture and Fittings	173.93	3.94	–	177.87	69.36	12.68	–	82.04	95.83	104.57
Office Equipments	82.60	5.83	–	88.43	38.79	11.80	–	50.59	37.84	43.81
Computers	157.33	6.12	–	163.45	124.02	20.73	–	144.75	18.70	33.31
Vehicles	89.51	22.03	19.10	92.44	42.77	6.60	5.66	43.71	48.73	46.74
Total (A)	25,616.31	2,799.77	19.10	28,396.98	8,862.61	1,807.16	5.66	10,664.11	17,732.87	16,753.70
Intangible Asset										
Computer Software - Acquired	53.68	–	–	53.68	18.58	10.74	–	29.32	24.36	35.10
Total (B)	53.68	–	–	53.68	18.58	10.74	–	29.32	24.36	35.10
Total (A+B)	25,669.99	2,799.77	19.10	28,450.66	8,881.19	1,817.90	5.66	10,693.43	17,757.23	16,788.80
Previous Year	24,247.70	1,435.66	13.36	25,670.00	7,301.71	1,586.85	7.37	8,881.19	16,788.80	
Capital Work in progress **									904.79	909.93

*Includes land amounting to ₹ 12.65 Lakhs held in the name of individual directors in view of the constraints of local legislation.

**Including capital advances ₹ 311.12 Lakhs (Previous Year ₹ 187.55 Lakhs)

SCHEDULE F - INVESTMENTS

Long Term Investment - At Cost ₹ in Lakhs

Particulars	Face Value Per Share ₹	Quantity		Amount	
		As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Unquoted - Trade In Equity Shares					
Nicco Jubilee Park Limited	10	10000	10,000	1.00	1.00
Jaimex International Private Limited	10	10000	10,000	1.00	1.00
Adityapur Auto Cluster	1,000	100	100	1.00	1.00
In Government Securities					
National Savings Certificate *				0.15	–
				3.15	3.00
Less: Provision for diminution in the value of Investment				2.00	2.00
				1.15	1.00

* Purchased during the year



Schedule to Accounts

<u>SCHEDULE - G</u>	<u>As at</u>	<u>As at</u>
<u>INVENTORIES</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>₹ in Lakhs</u>	<u>₹ in Lakhs</u>
Stores and Spare Parts-At/Under cost	511.36	773.99
Raw Materials-At/Under cost	2,020.00	1,699.12
Work - in - Progress -At lower of cost and Net Realisable Value	7,301.94	7,193.22
Finished Goods-At lower of cost and Net Realisable Value	608.36	490.00
Raw Materials in Transit-At/Under cost	55.49	51.81
	<u>10,497.15</u>	<u>10,208.14</u>

SCHEDULE - H **SUNDRY DEBTORS**

(UNSECURED - CONSIDERED GOOD)

Debts outstanding for a period exceeding six months	627.62	857.97
	<u>627.62</u>	<u>857.97</u>
Others Debts *	2,694.75	1,721.51
	<u>3,322.37</u>	<u>2,579.48</u>

* Includes amount due from companies under the same management:

Name	Amount in ₹
Omega Automotive Pvt. Ltd.	228,173
Prestige Equipments Pvt. Ltd.	32,762

SCHEDULE - I **CASH AND BANK BALANCES**

Cash balance in hand	3.05	2.90
<u>Bank balances</u>		
With Scheduled Banks on :		
I) Current Accounts	277.63	213.58
II) Fixed Deposit Accounts	126.43	82.98
III) Unpaid Dividend Accounts	20.72	19.74
	<u>424.78</u>	<u>316.30</u>
	<u>427.83</u>	<u>319.20</u>

Note : Fixed deposit of ₹ 126.43 Lakhs (Previous Year ₹ 82.98 Lakhs) deposited with bank as margin money against bank guarantee, letter of credit and bill discounting facility.

SCHEDULE - J **OTHER CURRENT ASSETS**

Interest accrued	2.18	1.75
Security Deposit	257.49	238.60
	<u>259.67</u>	<u>240.35</u>

Schedule to Accounts

<u>SCHEDULE - K</u>	<u>As at</u>	<u>As at</u>
<u>LOANS AND ADVANCES</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>₹ in Lakhs</u>	<u>₹ in Lakhs</u>
(Unsecured, considered good)		
Advance receivable in cash or in Kind for the value to be received*	884.28	601.79
Advance Payment of Income Tax {Net of provision for Income Tax - Nil (Previous Year - ₹ 456.26 Lakhs)}	7.91	38.22
Balance with Central Excise	435.07	494.71
Balance with Sales Tax	61.48	5.59
	<u>1,388.74</u>	<u>1,140.31</u>

*Includes amount due from companies under the same management :

Name	Amount in ₹
Precision Automotive Co. Pvt. Ltd.	1,629,927
PACO Allen Auto Pvt. Ltd.	1,226,598

SCHEDULE - L **CURRENT LIABILITIES**

Acceptances [Includes ₹ 999.88 lakhs (Previous year Nil) discounted from SIDBI.]	1,118.70	—
Sundry Creditors		
— Total outstanding dues of micro enterprises and small enterprises	—	—
— Total outstanding dues of creditors other than micro enterprises and small enterprises	4,508.11*	4,076.83
Other liabilities	178.85	436.56
Advance received from customers	10.07	14.28
Unclaimed Dividend	20.72	19.74
	<u>5,836.45</u>	<u>4,547.41</u>

* Include sundry creditors for capital goods ₹ 160.61 Lakhs (Previous year ₹ 499.41 Lakhs) and overdrawn bank balances in a current account - ₹ 3.22 Lakhs (Previous year ₹ 5.85 Lakhs).

Note :

There is no amount due and outstanding at the balance sheet date to be credited to Investor education and protection fund.

SCHEDULE - M **PROVISIONS**

Income Tax (Net of advance payment of Income Tax - ₹ 325.09 Lakhs [Previous year - Nil])	16.81	112.87
Leave encashment	20.59	18.09
Gratuity	42.55	20.34
Proposed Dividend	71.98	35.99
Tax on Dividend	12.23	6.12
	<u>164.16</u>	<u>193.41</u>



Schedule to Accounts

<u>SCHEDULE - N</u>	<u>Year ended</u>	<u>Year ended</u>
<u>OTHER INCOME</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>₹ in Lakhs</u>	<u>₹ in Lakhs</u>
Interest		
– On Fixed deposits etc. {Tax deducted at source ₹ 0.41 Lakhs, (Previous Year ₹ 1.84 Lakhs)}	5.97	11.06
– On Inter Corporate Loans {Tax deducted at source Nil, (Previous Year ₹ 0.09 Lakhs)}	–	0.93
Discount Received	20.06	20.62
Insurance Claim	4.59	74.63
Liabilities no longer required written back	7.28	10.74
Profit on sale of Assets (net)	–	2.76
Rent Received	0.36	0.36
Subsidy Income	88.89	–
Gain on one time settlement of loan	26.73	–
Exchange Fluctuation (net)	–	31.99
DEPB Accrual (net)	76.67	53.73
Other Income	47.90	52.79
	<u>278.45</u>	<u>259.61</u>
<u>SCHEDULE - O</u>		
<u>OPERATING EXPENSES</u>		
Raw materials consumed	12,723.79	7,255.68
Stores Spare Parts consumed	2,321.75	1,436.96
Job off loading Charges	2,477.54	1,690.59
Freight Charges	423.24	329.70
Power and Fuel	3,953.38	2,595.63
Repairs – Building	63.48	56.71
– Machinery	139.98	102.91
– Others	100.21	59.33
Insurance	38.45	37.11
Rates and Taxes	57.38	58.03
Security Charges	88.66	77.37
Machine Hire Charges	46.10	29.88
Other Operating Expenses	59.78	34.56
	<u>22,493.74</u>	<u>13,764.46</u>
<u>SCHEDULE - P</u>		
<u>(ACCRETION)/DECRETION OF STOCK</u>		
Closing inventories:		
Finished Goods	608.36	490.00
Work-in-Progress	7,301.94	7,193.22
	<u>7,910.30</u>	<u>7,683.22</u>
Opening inventories :		
Finished Goods	490.00	343.73
Work-in-Progress	7,193.22	7,100.11
	<u>7,683.22</u>	<u>7,443.84</u>
	<u>(227.08)</u>	<u>(239.38)</u>

Schedule to Accounts

	<u>Year ended</u> <u>31.03.2011</u> <u>₹ in Lakhs</u>	<u>Year ended</u> <u>31.03.2010</u> <u>₹ in Lakhs</u>
<u>SCHEDULE - Q</u>		
<u>PAYMENT AND BENEFIT TO EMPLOYEES</u>		
Salaries, Wages, Allowances and Bonus	1,015.89	898.33
Workmen and Staff Welfare Expenses	29.48	22.54
Contribution to Provident and Other Funds	74.15	64.47
	<u>1,119.52</u>	<u>985.34</u>
<u>SCHEDULE - R</u>		
<u>ADMINISTRATIVE EXPENSES</u>		
Travelling and Conveyance	63.53	58.75
Exchange Fluctuation (net)	66.84	—
Auditors' Remuneration {refer note B(xvii) of Schedule U}	10.61	10.97
Rent	8.80	8.07
Bank Charges	21.86	39.05
Loss on Disposal of Fixed Assets	2.34	—
Telephone and Fax	23.94	20.90
Car hire charges	41.55	34.99
Bad Debts written off	120.31	317.79
Less : adjusted with provisions	<u>—</u>	<u>81.38</u>
Miscellaneous Expenses (refer note B (xviii) of Schedule U)	141.85	136.54
	<u>501.63</u>	<u>545.68</u>
<u>SCHEDULE - S</u>		
<u>SELLING AND DISTRIBUTION EXPENSES</u>		
Subscription and Advertisement	2.64	1.42
Handling and Processing Charges (Export)	3.29	2.29
Discount Allowed	92.41	39.33
Carriage Outwards	224.28	167.03
Sales Promotion	13.09	15.36
Sales Commission	22.74	8.97
	<u>358.45</u>	<u>234.40</u>
<u>SCHEDULE - T</u>		
<u>INTEREST AND FINANCE COST</u>		
Interest – Term Loan	677.76	551.15
– Working Capital Facilities	1,013.51	1,162.22
Loan processing fees	67.31	33.79
Letter of Credit Charges	80.62	44.50
Amortization of forward premium	21.41	4.01
	<u>1,860.61</u>	<u>1,795.67</u>

**SCHEDULE -U:****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A) SIGNIFICANT ACCOUNTING POLICIES****(i) BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 and Accounting Standards notified under Section 211(3C) of the Companies Act, 1956.

(ii) REVENUE RECOGNITION**SALES**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards to the buyer, which generally coincides with delivery.

Gross Sale represent the invoice value of goods sold, net of trade discount, rejections and sale returns but includes excise duty.

Export entitlements are recognized after completion of related exports on certainty.

(iii) FIXED ASSETS

Fixed Assets (comprising both tangible and intangible) are stated at cost of acquisition / construction inclusive of duties (net of CENVAT), taxes, incidental expenses and erection / commissioning expenses up to the date the asset is ready for intended use.

(iv) DEPRECIATION

a) Depreciation (including amortization) is provided using straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, except for certain items of Plant and Machinery, which are depreciated @ 20% on Straight Line method. Leasehold Land is being amortized over the tenure of respective leases.

b) Additions / deletions during the year are depreciated pro-rata from the date of such addition / deletion except assets costing below ₹ 5000/- which are fully depreciated in the year they are put to use.

c) Intangible Asset (Computer Software) is amortized over a period of five years.

(v) FOREIGN CURRENCY TRANSACTIONS

a) Foreign Currency transactions during the year are recorded at the rates of exchange prevailing on the date of transactions.

b) Monetary items denominated in foreign currencies at the yearend are restated at yearend rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is amortized over the life of the contract.

c) Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account.

(vi) GOVERNMENT GRANTS

a) Government grants in the nature of promoters' contribution are credited to Capital Reserve.

b) Government grants related to fixed assets are adjusted with the value of fixed assets/ credited to capital reserve.

c) Government grants related to revenue items are adjusted with the related expenditure/ taken on income.

(vii) INVENTORIES

Inventories other than raw material, stores and spares are valued at lower of cost and net realizable value. Cost is determined under weighted average method (Inclusive of conversion expenses and applicable overheads). Raw material, stores and spares are valued at / under cost.

(viii) INVESTMENTS

Long term investments are carried at cost unless there is diminution (other than temporary) in the value of investments.

**(ix) RETIREMENT BENEFITS****(a) Short Term benefits :**

The undiscounted amount of Short - Term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

(b) Post Employment Benefit plans :

Contributions under Defined Contribution plans payable in keeping with the related schemes are recognized as expense for the year.

For Defined Benefit plans, the cost of providing benefits is determined using the projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in full in the profit and loss Account for the period in which they occur, past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight - line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

(c) Other Long - Term Employee Benefits (unfunded) :

The cost of providing Long - Term employee benefits is determined using projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognized immediately in the Profit and Loss Account for the period in which they occur. Other long term employee benefit obligation recognized in the Balance Sheet represents the present value of related obligation.

(x) INCOME TAXES

(a) Tax expense comprises of Current and Deferred Tax. Current Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.

(b) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the Financial Statements. Deferred tax assets are reviewed at each Balance Sheet date to reassess realization.

(xi) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is an asset that takes necessarily substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Profit and Loss Account.

(xii) IMPAIRMENT OF ASSET

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(xiii) PROVISIONS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

(xiv) LEASES

For assets acquired under Operating Lease, Rentals payable are charged to Profit and Loss Account.

**B) NOTES ON ACCOUNTS****(i) ESTIMATED VALUE OF CONTRACTS REMAINING TO****BE EXECUTED ON CAPITAL ACCOUNT and NOT PROVIDED FOR**

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances):	1,681.17	41.58
	1,681.17	41.58

(ii) CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
a) Bank Guarantee Outstanding	22.50	29.85
b) Claims made against the Company but not acknowledged as debts		
i. Jharkhand State Electricity Board towards fuel surcharge and delayed payment surcharge	46.20	46.20
ii. Bihar Sales Tax relating to year 2002-03, as per demand notice 519 dated 25.6.2005 with Joint Commissioner, Jamshedpur	—	1.49
c) Letter of Undertaking for availing duty exemption under EPCG Scheme	992.73	1,835.69

(iii) LICENCED AND INSTALLED CAPACITY

(As Certified by the Management)	Units	Current Year	Previous Year
a) Licensed capacity	—	Not Applicable	Not Applicable
b) Installed capacity	—	Not Applicable	Not Applicable

Note : As there are a considerable number of items being processed, hence the installed capacity is not ascertainable.

(iv) OPENING, CLOSING, TURNOVER AND PRODUCTION STOCK OF GOODS

Group of Goods	UOM	Opening Stock		Closing Stock		Turnover		Production Quantity
		Quantity	₹ In Lakhs	Quantity	₹ In Lakhs	Quantity	₹ In Lakhs	Quantity
Gear	Nos	46,276	169.04	49,274	228.03	2,394,623	14,845.60	2,397,621
		(37,139)	(120.57)	(46,276)	(169.04)	(1,780,327)	(10,276.96)	(1,789,464)
Axle Components	Nos	423	3.94	1,641	6.27	16,824	229.88	18,042
		(72)	(0.71)	(423)	(3.94)	(1,797)	(22.42)	(2,148)
Excavator Components	Nos	14,656	78.07	13,563	85.97	371,412	3,408.07	370,319
		(18,874)	(104.14)	(14,656)	(78.07)	(261,780)	(2,505.97)	(257,562)
Engine Components	Nos	5,615	22.07	7,729	24.49	273,103	1,269.30	275,217
		(7,126)	(3.22)	(5,615)	(22.07)	(38,240)	(198.22)	(36,729)
Others	—	73,434	216.88	81,635	263.60	9,875,543	11,131.36	9,883,744
		(60,198)	(115.09)	(73,434)	(216.88)	(6,534,622)	(7,491.72)	(6,547,858)
Total			490.00		608.36		30,884.21	12,944,943
			(343.73)		(490.00)		(20,495.29)	(8,633,761)

Note: Figures In brackets are for the previous year

**(v) CONSUMPTION OF RAW MATERIALS AND COMPONENTS**

Details of Raw Materials / Components	UOM	Current Year		Previous Year	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Forging	No	102,485	759.22	90,034	677.56
Bright Bars	Kg	24,653,643	11,455.88	13,998,152	6,387.03
MS Pipe	Mtr	451,662	508.69	108,180	138.30
			12,723.79		7,202.89

(vi) CONSUMPTION OF IMPORTED AND INDIGENOUS RAW –MATERIALS / COMPONENTS, STORES and SPARES PARTS

PARTICULARS	Current Year		Previous Year	
	₹ in Lakhs	%	₹ in Lakhs	%
a) Raw Materials and Components				
Imported	10.22	0.08	18.45	0.26
Indigenous	12,713.57	99.92	7,184.44	99.74
	12,723.79	100.00	7,202.89	100.00
b) Stores and Spares Parts				
Imported	94.94	4.09	107.11	7.36
Indigenous	2,226.81	95.91	1,329.85	92.64
	2,321.75	100.00	1,436.96	100.00

(vii) C.I.F. VALUE OF IMPORTS

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
a) Capital Goods	303.97	662.27
b) Raw material and Components	24.25	18.45
c) Consumable Stores	134.25	107.11
	462.47	787.83

(viii) EXPENDITURE IN FOREIGN CURRENCY

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
Travelling	0.38	0.47
	0.38	0.47

(ix) EARNING IN FOREIGN CURRENCY

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
F.O.B. value of Exports	3,269.56	819.72
	3,269.56	819.72

- (x) The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the yearend together with interest paid/payable under this Act have not been given.

(xi) Employee Benefits**(a) Post Employment Defined Contribution Plans**

During the year an amount of ₹ 74.15 Lakhs (Previous Year ₹ 64.47 Lakhs) has been recognized as expenditure towards Defined Contribution Plans of the Company.



(b) Post Employment Defined Benefit Plans

Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Fund, managed by the Life Insurance Corporation of India (LIC) makes payment to vested employees at retirement, death, incapacitation or termination of employment of an amount equivalent to the respective employee's eligible salary for fifteen days for each year of completed service subject to a maximum limit as laid down in the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note A(ix) of Schedule U, based on upon which, the Company makes contributions to the Gratuity Fund.

The following Table sets forth the particulars in respect of the aforesaid Gratuity Fund of the Company for the year ended 31st March 2011:

	PARTICULARS	Gratuity	
		Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
A.	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligations (DBO)		
1	Present Value of DBO at beginning of year	54.15	47.43
2	Current Service cost	9.59	8.87
3	Interest cost	4.47	3.79
4	Plan amendments	-	3.63
5	Actuarial (gains)/ losses	14.65	(4.54)
6	Benefits paid	(6.41)	(5.03)
7	Present Value of DBO at the end of year	76.45	54.15
B.	Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets		
1	Fair Value of Plan assets at beginning of year	33.81	30.15
2	Actual return on plan assets	2.94	2.71
3	Actual Company contributions	3.56	5.98
4	Benefits paid	(6.41)	(5.03)
5	Fair Value of Plan assets at the end of year	33.91	33.81
C.	Reconciliation of the Present Value of the DBO and the Fair Value of the Plan Assets		
1	Present value of DBO at the end of the year	76.45	54.15
2	Fair value of plan assets at the end of the year	33.91	33.81
3	Assets/(Liabilities) recognized in the Balance Sheet	(42.55)	(20.34)
	Net asset/(liability) recognized in balance sheet as at 31st March 2011	(42.55)	(20.34)
1	Net asset/(liability) recognized in balance sheet at beginning of period	(20.34)	(17.28)
2	Employer Expense	25.77	9.04
3	Employer contributions	(3.56)	(5.98)
4	Net asset/(liability) recognized in balance sheet at end of the period	(42.55)	(20.34)
D.	Expense recognized in the Profit and Loss Account		
1	Current Service cost	9.59	8.87
2	Interest cost	4.47	3.79
3	Expected return on plan assets	2.94	(2.71)
4	Past Service Cost	-	3.63
5	Actuarial Losses / (Gains)	14.65	(4.54)
	Total expense recognized		
	Recognized under the line item 'Contribution to Provident and Other Funds' in Schedule 'Q'.	25.77	9.04*
E.	Category of Plan Assets:		
	Funds with Life Insurance Corporation of India	33.91	33.81



	PARTICULARS	Gratuity	
		Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
F.	Actual Return on Plan Assets	2.94	2.71
G.	Principal Actuarial Assumptions		
1	Discount Rate	8.25%	8.25%
2	Expected return on plan assets	8.00%	8.00%
3	Salary Escalation	5.00%	5.00%
4	Inflation	5.00%	5.00%
I	Experience adjustments**		
1	Present Value of DBO at the end of year	76.45	
2	Fair value of plan assets as at the end of the year	33.91	
3	(Surplus)/Deficit in the plan	(42.55)	
4	Experience adjustments on plan liabilities (loss)/(gains)	4.22	
5	Experience adjustments on plan assets ((loss)/gain)	0.24	

** Experience adjustments have been given only for the current year as the actuarial valuation has been done for the first time in previous financial year.

Notes:

- The estimate of future salary increases taken in to account, inflation, seniority, promotion and other relevant factors.
- The expected return of plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for Plan asset management and other relevant factors.

(xii) MANAGERIAL REMUNERATION PAID/PAYABLE

₹ in Lakhs

	PARTICULARS	Current Year	Previous Year
(a)	Managing Director and Whole time Directors		
	Salary	19.24	14.69
	Contribution to Provident Funds and Other Funds	2.14	1.59
	Perquisites/Allowances	1.92	1.85
	(A)	23.30	18.13
(b)	Other Directors		
	Directors' Meeting Fees	0.40	0.46
	(B)	0.40	0.46
	(A)+(B)	23.70	18.59

Note: The above figures do not include provision for Gratuity and Leave encashment benefits, as actuarial valuation is done on an overall basis.

(xiii) SEGMENT REPORTING

- Segments have been identified in line with the Accounting Standards (AS) 17 on Segment Reporting prescribed under the Companies Act, 1956, taking into account the nature of products and services, the different risks and returns, the organizational structure and the internal financial reporting system. It



has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organizational structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has following two business segments:

- i. Automobile
- ii. Oil and Gas

The Company does not have reportable business segment for the year ended 31st March, 2011 as the turnover of Oil and Gas Segment does not exceeds 10% of the total revenue.

- B. Secondary Segment** – In accordance with AS – 17, geographic segments have been considered as secondary segment.

₹ in Lakhs

	For the year ended March 31, 2011	For the year ended March 31, 2010
Sales Revenue by Geographical Market		
India	25,810.47	18,334.01
Outside India	3,386.27	865.97
TOTAL	29,196.74	19,199.98
Carrying Amount of Segment Assets		
India (Includes fixed assets located in India)	25,990.39	27,028.97
Outside India	3,876.45	1,610.08
TOTAL	29,866.84	28,639.05
Purchase of Tangible and Intangible Assets		
India	2,799.77	1,435.66
Outside India	-	-
TOTAL	2,799.77	1,435.66

(xiv) DEFERRED TAX ACCOUNTING

The Breakup of Deferred Tax Liabilities / (Assets) at the year end into major components of the respective balances are :

₹ in Lakhs

PARTICULARS	As at 31.03.2011	As at 31.03.2010
Tax impact of :		
Depreciation	1,869.26	1,671.76
Deferred Tax Assets arising out of timing difference relating to:		
Others	(8.27)	(13.05)
Deferred Tax (Assets) / Liability (Net)	1,860.99	1,658.71



(xv) BASIC AND DILUTED EARNINGS PER SHARE

PARTICULARS	Current Year	Previous Year
a) No. of ordinary share at the beginning of the Year (In Lakhs)	143.95	143.95
No. of ordinary share at the end of the Year (In Lakhs)	143.95	143.95
Weighted average number of ordinary shares (In Lakhs) outstanding during the year (₹ in Lakhs)	143.95	143.95
b) Face value of each ordinary share (in ₹)	10.00	10.00
c) Profit after tax available for ordinary Share Holders (₹ in Lakhs)	981.81	353.26
Earnings Per Share(₹) - Basic and diluted (c ÷ a)	6.82	2.45

(xvi) RELATED PARTY DISCLOSURE

(a)

Related party disclosures as required under Accounting standard - 18 on "Related Party Disclosure" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006		
a)	Associate Companies:	Precision Automotive Co. Pvt. Ltd RSD Finance Limited, K. U. Auto Engineering Pvt. Ltd. S R P Oils Pvt. Ltd., Prestige Equipment's Pvt. Ltd.
b)	Investing Parties:	Bach Ltd.
c)	Key management personnel:	Mr. Rajeev Singh Dugal Mr. Jasjit Singh Dugal

(b) The following transactions were carried out with related parties in the ordinary course of business:

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
(i) Associate Companies :		
Purchase of material / finished goods	111.84	74.60
Sale of Fixed Asset	–	2.60
Sale of finished goods and Job working	0.81	0.71
Services rendered / other receipts	–	0.75
Services availed including Job charges	28.37	11.08
Machine hire charges	18.28	16.56
Total of transactions during the year	159.30*	106.30
Loans Taken	10.00	256.75
Loans repaid	222.75	–
Interest Expense	22.22	0.95
Balance at the end of the year		
Other payables	202.90	403.69
Receivables	17.35	57.10
Loans Outstanding (Including interest accrued)	201.29	407.70
(ii) Key management personnel		
Managerial Remuneration (Details of Remuneration to whole time directors are given in note (xii)(a) above)	23.30	18.13

*The Company has applied to the Central Government under section 297 of the Companies Act, 1956 for approving the transactions amounting to ₹ 127.67 Lakhs. The Central Government's approval is still awaited.

**(xvii) AUDITORS REMUNERATION**

₹ in Lakhs

AUDITORS REMUNERATION (Excluding service tax and education cess)	Current Year	Previous Year
a) For Audit Fees	5.00	5.00
b) For Limited Review	3.00	3.00
c) Others	2.00	2.00
d) Towards reimbursement of out of pocket expenses	0.61	0.97
	10.61	10.97

(xviii) Miscellaneous Expenses includes

Donations contributed to political parties details of which are as under :

₹ in Lakhs

Name of the political parties	Current Year	Previous Year
Bhartiya Janata Party	0.010	0.110
Jharkand Mukti Morcha	-	0.121
Rastriya Janata Dal	-	0.006
TOTAL	0.010	0.237

(xix) The Company has reviewed potential generation of economic benefits from its cash generating units and concluded that there is no further impairments during the year.

(xx) The Company has taken machineries on non-cancellable operating lease and lease rent amounting to ₹ **16.56 Lakhs** (Previous Year ₹16.56 Lakhs) has been charged to profit and loss account. The future minimum lease payments are as under :

₹ in Lakhs

PARTICULARS	Current Year	Previous Year
Not later than one year	16.56	16.56
Later than one year and not later than 5 years	16.56	33.12

(xxi) The Company has entered into Forward contracts (being derivative instruments) which are not intended for trading or speculation purpose for hedging currency related risks.

a) Forward contracts outstanding as on 31st March 2011 are as follows :

As at	Category	Currency	No. of Contracts	Exposure in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
31 st March, 2011	Forward Exchange Contract	USD/INR	—	—	—
31 st March, 2010	Forward Exchange Contract	USD/INR	2	20.00	933.66



- b) The year end foreign currency exposure that has not been hedged by a derivative Instrument or otherwise are given below:

As at	Particulars	Currency	Amount In Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
31st March, 2011	Debtors	USD	28.67	1269.39
31st March, 2010	Debtors	USD	13.73	620.01
31st March, 2011	Creditors	USD	0.22	10.06
		CHF	0.02	0.88
		JPY	28.58	15.67
		GBP	0.08	5.72
		EUR	2.50	159.55
31st March, 2010	Creditors	USD	2.17	97.85
		CHF	0.16	6.78
		JPY	802.19	388.58
		SGD	0.03	0.94
31st March, 2011	Loan (FLC)	JPY	216.67	112.81
31st March, 2011	Loan (PCFC)	USD	36.71	1,649.24
31st March, 2011	Loan (Buyers Credit)	EUR	0.02	26.80
		JPY	1.02	438.54
		USD	0.78	184.17

(xxii) The previous year's figures have been regrouped and rearranged wherever necessary to make the same comparable with current year's figure.

On Behalf of the Board

Rajeev Singh Dugal
Chairman & Managing Director

Jasjit Singh Dugal
Director

Nimesh Anand
Company Secretary



**ABSTRACT OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND COMPANY GENERAL BUSINESS STATEMENT
PURSUANT TO PART IV OF SCHEDULE VI (AS AMENDED) TO THE COMPANIES ACT, 1956**

I] Registration details

Registration No.	82620	State Code	21
	Date Month Year		
Balance Sheet date	31 03 2011		

II] Capital Raised during the year (Amount in ₹ Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III] Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

<u>Total Liabilities</u>	2,855,832	<u>Total Assets</u>	2,855,832
<u>Sources of Funds</u>			
Paid-up Capital	143,952	Reserves & Surplus	1,023,371
Equity Warrants	0	Unsecured Loans	20,129
Secured Loans	1,482,281	Deferred Tax Liability	186,099
<u>Application of Funds</u>			
Net Fixed Assets	1,866,202	Investments	115
Net Current Assets	989,515	Misc. Expenditure	0
Accumulated Losses	0		

IV] Performance of the Company (Amount in ₹ Thousands)

Turnover & Other Income	2,937,847	Total Expenditure	2,792,477
Profit/(Loss) before Tax	145,370	Profit / (Loss) after Tax	98,181
Earning per share in ₹	6.82	Dividend rate %	5.00%

V] Generic Name of Three Principal Products/Services of the Company (As per monetary terms)

Item Code. No. (ITC Code)	870800
Product Description	GBS 40 (GEAR BOX COMPONENT)
Item Code. No. (ITC Code)	848300
Product Description	ENGINE COMPONENT
Item Code. No. (ITC Code)	732510
Product Description	AXLE COMPONENT

On Behalf of the Board

A. Bhattacharya
Partner

Rajeev Singh Dugal
Chairman & Managing Director

Jasjit Singh Dugal
Director

Place : Kolkata
Dated : 28.05.2011

Nimesh Anand
Company Secretary

JMT AUTO LIMITED

Registered office : 224, AJC Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata – 700 017

ATTENDANCE SLIP

Regd. Folio No.	:	
Name	:	
Address	:	
No. of Shares held	:	

I hereby record my presence at the 24th Annual General Meeting of the Company at “Kala Mandir (Kala Kunj) 48,Shakespeare Sarani,Kolkata-700017 on Thursday, the 14th day of July, 2011 at 10.00 A.M.

SIGNATURE OF THE SHAREHOLDER/ PROXY

NOTES:- 1. Shareholder/ proxy wishing to attend the meeting must bring the Attendance slip to the meeting and handover at the entrance duly signed.

JMT AUTO LIMITED

Registered office : 224, AJC Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata – 700 017

PROXY

I/We
..... Of
..... being a member/members of the above name company, hereby appoint
..... of
..... as my/ our Proxy to.

Attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 14th July, 2011.

Regd. Folio :-

No. of Shares held:-

Signature _____

Note: The proxy must be returned so as to reach the Registered office of the company at 224, AJC Bose Road, Krishna Building, 9th Floor, Room # 902, Kolkata – 700 017 not less than FORTY EIGHT HOURS before the time for holding aforesaid meeting.



JMT AUTO LIMITED

Gardens at JMT Sites



Spreading Greenery





HEALTH CHECK UP CAMPS FOR THE POOR



BLOOD DONATION CAMP



FINANCIAL AIDS TO LOW PRIVILEGED CHILDREN





JMT AUTO LIMITED

BOOK POST

REGISTERED OFFICE

224, A.J.C. Bose Road, Room No.- 902
Krishna Building, 9th Floor, Kolkata-700017, West Bengal
Telephone: 033 - 3058 1043
Email.id - jmtauto@jmtauto.com, Website:- <http://www.jmtauto.com>

WORK UNIT - I

A-20, Phase-1
Industrial Area, Adityapur
Jamshedpur- 832109, Jharkhand
Teleph: 0657 - 6626020

WORK UNIT - II & III

C-19 & 20, D-2-3, D-8-12, NS-29-34
7th Phase, Industrial Area, Adityapur
Jamshedpur-832109, Jharkhand
Tele : 0657 - 6626333/ 6626379
Fax : 0657 - 2200749/2200280

WORK UNIT - IV (FOUNDRY)

Notandih, Kandra Chauka, Main Road
Dist. : Seraikela, Kharsawan, Jharkhand
Tele : 9386411314

WORK UNIT -V (FORGING)

A-45, A-46, A-47, A-48(P) & M-2 At
Large Sector, Gamharla
Jharkhand
Tele : 0657 -6626602

WORK UNIT VI

NS-57, 7th Phase, Industrial Area
Adityapur, Jamshedpur- 832109
Jharkhand

WORK UNIT VII LUCKNOW

Village - Naubasta, Kalan, Lucknow
On Line Mark (Deva to Naubasta Marg)
Uttar Pradesh

WORK UNITS AT DHARWAD

Plot No 222 Kiadb
Belur Industrial Growth Center
Belur Dharwad- 580011, Karnatka
Tele : 0836-2486804

Plot No 224-A Kiadb
Belur Industrial Growth Centre
Belur Dharwad- 580011, Karnataka
Tele : 0836-2486805

Block No -2 Kiadb
Belur Industrial Estate
Garag Road Mummigatti
Dharwad- 580 007, Karnatka
Tele : 9243245181

If undelivered, Please return to :

JMT AUTO LIMITED

C-19 & 20, D-2-3, D-8-12, NS-29-34
7th Phase, Industrial Area, Adityapur
Jamshedpur - 832 109