



Jamna Auto Industries Ltd

ANNUAL REPORT 2009-10

Expanding *frontiers*



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# Corporate *Information*

## Board of Directors

Mr. Bhupinder Singh Jauhar  
*Chairman*

Mr. Randeep Singh Jauhar  
*CEO & Executive Director*

Mr. Pradeep Singh Jauhar  
*COO & Executive Director*

Mr. Robert Dean Petty  
*Nominee-Clearwater Capital Partners India Pvt. Ltd.*

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

Mr. Jainender Kumar Jain  
*Nominee-ICICI Bank Limited*

Mr. Dileep Kumar Jain  
*Nominee-IFCI Limited*

Seth Ashok Kumar  
*Director*

Mr. Uma Kant Singhal  
*Director*

Mr. Chander Kailash Vohra  
*Director*

Mr. Shashi Bansal  
*Director*

Mr. S. P. S. Kohli  
*President & Executive Director*

## Auditors

Goel Garg & Co.  
*Chartered Accountants, New Delhi*

ASG & Associates  
*Chartered Accountants, New Delhi*

A. K. Kalia & Associates  
*Chartered Accountants, Chandigarh*

## Bankers

State Bank of India  
ICICI Bank Ltd.  
Canara Bank  
Kotak Mahindra Bank  
Standard Chartered Bank

## Share Transfer Agent

Skyline Financial Services Pvt. Ltd.  
246, 1st Floor, Sant Nagar,  
East of Kailash,  
New Delhi-110 065  
Ph: 011-26292682/83  
Fax: 011-26292681

## Investor Cell

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

## Technical Assistance

Ridewell Corporation, USA

## Registered Office

Jai Springs Road, Industrial Area,  
Yamuna Nagar - 135001 (Haryana)  
Tel: 01732 - 251810/11/14

## Corporate Office

2, Park Lane, Kishangarh, Vasant Kunj,  
New Delhi-110 070, India  
Tel: 011-26893331, 26896960  
Fax: 011-26893180, 26893192

## Plants

- i) Jai Springs Road, Industrial Area,  
Yamuna Nagar - 135001 (Haryana)  
Tel: 01732 - 251810/11/14
- ii) U: 27-29, Industrial Area, Malanpur,  
Distt. Bhind - 477116, (M.P.)  
Tel: 07539 - 283396, 409117
- iii) Plot no. 22-25, Sengundram Village,  
Maraimalai Nagar Industrial  
Complex, Singaperumal Koil Post,  
Distt. Kanchipuram- 603 204  
(Tamil Nadu)  
Tel: 044- 27463800, 27464346/348,  
Fax: 044-27464352
- iv) Plot No. 263, Karnidh, Chandil,  
Distt. Saraikella - Kharswan  
(Jharkhand)  
Tel: 0657-2940671
- Under Subsidiary
- v) Plot No. 50A, Secotr-11, I.I.E.,  
Pant Nagar, Distt. Udham Singh  
Nagar (Uttarakhand)

# Chairman's Letter



*Dear Shareholders,*

The year 2008-09 was a tough ride that offered numerous challenges in terms of lower demand, higher material prices and liquidity issues. However, amidst all the uncertainties, we held on well to the steering wheel and worked our way through the rough patches to stay on course - for we knew that our learning from this tough journey would enable us to accelerate well, the moment we get to a smoother road.

That smoother road became visible during 2009-10. The impact of the fiscal measures and stimulus packages by the Government of India to combat slowdown had a beneficial impact in recovery of the Indian economy leading to increased manufacturing activity. While the optimism in economy resulted in sudden spurt in demand from our customers, the biggest challenge was to ramp up the production. We initiated a dedicated multi pronged strategy of increasing locations, adding part numbers and induction and training of manpower.

For the financial year 2009-10, we are pleased to post consolidated gross sales of Rs 661 crore, up 27% against Rs 521 crore in 2008-09. Our EBIDTA improved by 116% to Rs 80 crore against Rs 37 crore. Net profit was Rs 19 crore against loss of Rs 13 crore. EBIDTA margin was 12% as against 7%. Improved performance resulted in interest cost coming down to Rs 26 crore as against Rs 36 crore. As part of derisking strategy, the company improved its presence in the domestic and overseas after markets. Replacement market sales touched Rs 76 crore which was 38% higher than the corresponding sales of Rs 55 crore. Exports rose to Rs 5.38 crore against Rs 3.11 crore. The detailed working of the company's

The company is moving up the value chain to become a complete suspension system solution provider to our customers.



performance for the period under review is enclosed for your perusal.

The company's focus in value engineering by conversion to parabolic springs paid off with Tata Motors deciding to convert front springs of two of their high selling models to parabolic springs. We expect an improved share from parabolic springs and will further augment capacity in view of the emerging demand.

During 2009-10, UD Trucks Corporation, Japan (a subsidiary of Volvo) issued LOI for supply of leaf springs to its Japanese plant. The production for this order is expected to commence from August 2010.

The company is moving up the value chain to become a complete suspension system solution provider to our customers. Our technical team has been engaged in developing prototypes of Air Suspension, Lift Axle and Bogie Suspension in technical collaboration with Ridewell Corporation, USA. The results are encouraging and once trials are successful, these will be launched in the market.

We will continue to expand in the growing domestic and overseas replacement markets as part of the company's de-risking strategy. The company is also entering the OE segment in Europe and Japan. To meet the increased demand the company started assembly production at Jamshedpur plant during 2009-10 and full fledged production is expected to commence from October 2010 onwards. We plan to set up a new export plant at Gwalior, plants at Lucknow

and Pune and modernize Chennai and Yamuna Nagar Plants. These new plants will have manufacturing capabilities to produce high quality leaf and parabolic springs for new generation European and Indian commercial vehicles.

IMF and various Government agencies have been releasing economic data which indicate that the country's GDP growth will be around 7.5% in 2010-11 and the trend is likely to continue in near future. We expect the GDP growth to be higher than the forecast and demand for CVs is expected to remain strong in near future.

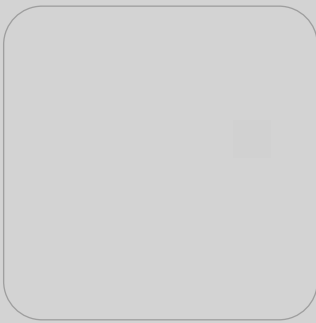
We take pride in our motivated and dedicated employees who are the backbone of the company. We are constantly engaged in improving their skill sets and have tied up with JIPM (Japan Institute of Plant Management) to help achieve the objective of world class manufacturing. The company rewarded 125 employees with Employees' Stock Option Schemes (ESOPs). We strongly believe that wealth created must be shared with employees.

The company will continue to focus on higher market share, invest in technology and capacity, reduction in manufacturing cost, finance cost and debt and maximization of shareholders wealth.

I would like to thank our customers, bankers and shareholders of the company for supporting us in difficult time and believing in our credentials.

**Bhupinder Singh Jauhar**  
*Chairman*

## Expanding *frontiers*



RECOVERY ACROSS GLOBAL ECONOMIES IS POSITIVELY IMPACTING BUSINESSES ACROSS THE WORLD. THIS HAS LED TO REVIVAL OF INDUSTRIES AND IS EVIDENT ACROSS KEY SECTORS OF THE INDIAN ECONOMY.





The Indian automobile industry is back on track, led by favourable developments like Government initiated stimulus measures and improved availability of vehicle financing.

This has led to significant demand growth in the Commercial Vehicle market, which is expected to show strong demand over the next few years on the back of rising GDP, improving industrial scenario and increasing investments in road infrastructure. These factors are expected to drive the volume of CV sales in FY2011 and beyond.

**Sensing strong growth and emerging business opportunity, JAI is**

- <> Expanding its product portfolio
- <> Enhancing capacity and technology of its existing production facilities
- <> Adding more locations
- <> Adding new markets
- <> Joining hands with reputed corporations for technical collaborations for new products
- <> Investing in R&D facilities at a new location in Chennai

# About *US*

## Business overview

JAMNA AUTO INDUSTRIES IS ENGAGED IN DESIGN AND MANUFACTURE OF LEAF AND PARABOLIC SPRINGS FOR COMMERCIAL VEHICLES IN INDIA.

JAI began on a modest scale six decades ago with one small spring shop in Yamuna Nagar (Haryana) and today features as India's largest and the world's fifth largest spring manufacturer for CVs with capacity of 144,000 MTs per annum.

### Milestones

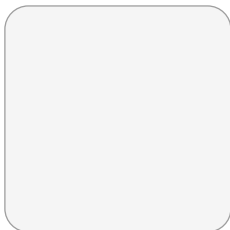
- ◇ First to introduce parabolic springs on Indian roads
- ◇ First to start Leaf Spring Design Centre in India
- ◇ Set up a state-of-the-art in-house R&D Center recognized by the Department of Scientific and Industrial Research, India
- ◇ Designed & developed springs for **Tata Motors** - Ace - World Truck - Sumo, **Mahindra** - Scorpio, **General Motors** - Hummer (H3) - USA, **Ford** - Transit - Europe, **Volvo** - India and **Force Mann** - India etc.

### Vision

- ◇ To be multi product, multi location, multinational, Indian owned company.

### Single Product to Multi Product

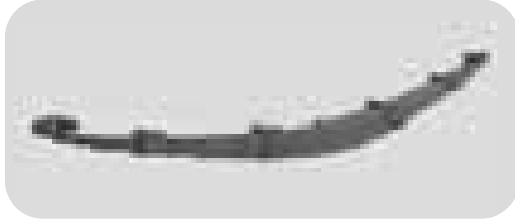
The company has established a leadership position in manufacturing leaf and parabolic springs. As our vision is to become a complete suspension system solution provider, we have added new products to include lift axles, bogie suspension and air suspension systems. While lift axles and bogie suspensions are used for cargo, air suspensions are being increasingly used in low floor buses in metro cities. These low floor buses, fitted with air-suspension system, have better ride comfort. JAI has tied up with Ridewell Corp. USA for these products.



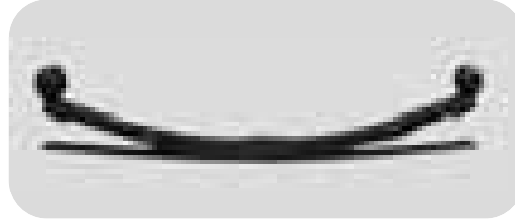


Our products:

### Current

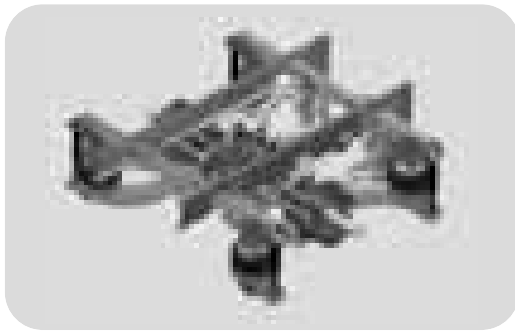


Conventional leaf springs

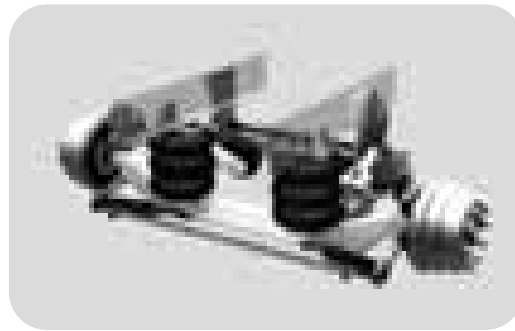


Parabolic leaf springs

### Under Development



Air Suspension



Lift Axle

Our esteemed customers:



# Highlights, 2009-10

## Financial

- ◇ 27% increase in sales - Rs 661 crore in 2009-2010 compared to Rs 521 crore in 2008-2009
- ◇ 116 % increase in operating profit – Rs 80 crore in 2009-2010 compared to Rs 37 crore in 2008-2009
- ◇ Sharp improvement in EBIDTA margin – 12% in 2009-2010 compared to 7% in 2008-2009
- ◇ 26% reduction in interest costs – Rs 26.17 crore in 2009-2010 compared to Rs 35.54 crore in 2008-2009
- ◇ Positive turnaround in profitability – profit after tax of Rs 19 crore in 2009-2010 from loss of Rs 13 crore in 2008-2009

## Operational

26% increase in OEM sales - Rs 580 crore in 2009-2010 as compared to Rs 463 crore in 2008-2009. Maintaining overall 66% market share in OEMs

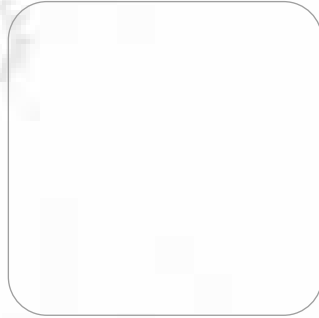
73% increase in export sales - Rs 5.38 crore in 2009-2010 as compared to Rs 3.11 crore in 2008-2009

38% increase in replacement market sales - Rs 76 crore in 2009-10 compared to Rs 55 crore in 2008-09

Commenced assembly operations at the Jamshedpur plant

Tata Motors converted its two high selling models into parabolic springs





Received Letter of Intent from UD Trucks Corporation, Japan (Volvo subsidiary) for supply of leaf springs to its plant in Japan

Development of prototypes for Air Suspension, Lift Axle and Bogie Suspension in technical collaboration with Ridewell Corporation, USA in progress

Showcased new products in the Auto Expo 2010 held in New Delhi

Received the Best Vendor Gold Award from Ashok Leyland Ltd for the year 2009-2010.

Received an award from Tata Motors Ltd in recognition of JAI's long and enduring relationship

Grant of Employee Stock Options (ESOPs) to 125 employees

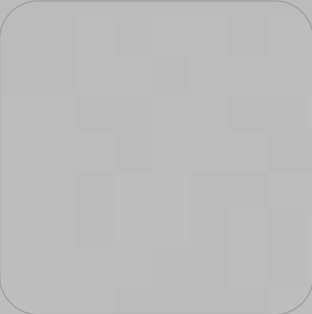


# Research and Development


The primary function of R&D is to constantly carry out research of product and processes to improve quality, life and performance.

The company is involved in the customers' product development process from the concept (Black Box) stage.

## Major benefits of R&D:



**Value engineering and cost optimization:** With raw material cost constituting 60% of total springs cost, the main objective and challenge for the R&D team is to bring value engineering initiatives through design optimisation to reduce raw material cost. And for the customer, it helps in reduced weight of the spring resulting in corresponding reduction in the weight of the vehicle with improved ride comfort, higher payload and lower fuel consumption.

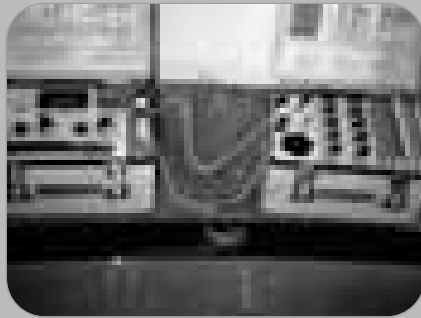
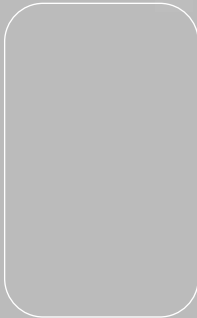
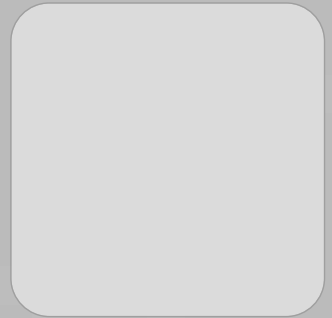
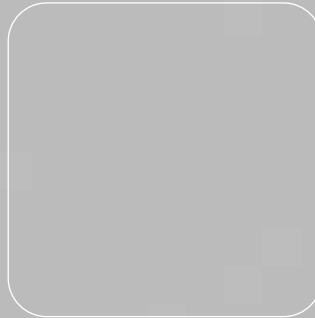


**Facilitating shift in product mix:** R&D plays an integral role in evolving the product mix and helping the company secure higher margin product segments. In view of the benefits accruing from the usage of parabolic springs as against conventional, there is a marked shift in OEM preference towards parabolic springs, with more and newer models using them.



### State-of-the-art equipment

The company has invested in world-class performance testing and validation machines to check the quality of springs. In addition, JAI has contemporary equipment to simulate and test product performance of road conditions in a laboratory, which is essential for product success in actual conditions.



### Technical collaboration

The company has entered into a strategic technical assistance agreement with Ridewell Corporation, USA. Ridewell is an established designer and manufacturer of air, rubber, and mechanical suspension systems for buses, trucks and trailers, and has extensive know-how in the field of design and manufacture of such suspension systems.

### Intellectual property

The company has 35 copyright designs in leaf spring.

It has filed for provisional patent application for COWHORN BEAM used in air suspension.

The company participates in numerous international seminars and training programs.

The company has also presented and published a Technical Paper on "Hydrogen-Embittlement Failure in Suspension Leaf Springs" in SAE 2008 Commercial Vehicle Congress, Detroit, USA.

# Strategic *locations*

A key strength of the company is its strategically located manufacturing facilities across India to cater to the urgent needs of customers in a time and cost-effective manner. As part of its business derisking strategy and improve competitiveness, multi locational presence results in savings in inward and outward freight thus benefitting both the customers and the company.

## Manufacturing presence

Expanding from a small spring shop in Yamuna Nagar, JAI and its wholly owned subsidiary have five state-of-the-art manufacturing facilities with a combined installed capacity of 144,000 MTPA. These are strategically located at:

- ◊ Yamuna Nagar (Haryana)
- ◊ Chennai (Tamil Nadu)
- ◊ Malanpur (Madhya Pradesh)
- ◊ Jamshedpur (Jharkhand)
- ◊ Pant Nagar (Uttarakhand)

The strategic location of these plants enables proximity to its customers and to build and nurture strong partnership and relationship with them.

Further, the company's multi-location presence has helped it de-risk geographically and demonstrate a truly pan-India presence.

The company is now expanding its capacities to meet the expected increased demand of commercial vehicles both in India and overseas. The company plans to commission two plants at Lucknow and Pune.



## Distribution network

The company has put in place a wide distribution network in the country to meet aftermarket requirements as under.

- ◊ Depot and Warehouse - 29
- ◊ Direct Dealer - 913
- ◊ States Covered - 23
- ◊ Cities Covered - 329



*\*Map not to scale*

# Human *Resource*

The company believes that its phenomenal growth over the past six decades is the result of commitment, hard work and dedication of its employees. To recognise their contribution in the company's growth, 125 employees were granted ESOPs during the year.



The company's HR practices and initiatives include:

- ◁> **Training programs at the shop floor and managerial level.**
- ◁> **Appointment of a leading expert in the field of TPM (Total Productive Management):** The company has engaged JIPM (Japan Institute of Plant Management) to implement the best manufacturing practices at Plants. The company has benefitted with this association as it helps to enhance quality consciousness across all levels. It also helps JAI stay abreast of the latest trends and practices, which in turn allows it to meet and exceed the demanding requirements of reputed OEMs.
- ◁> **Attractive performance-based compensation package:** This helps the company keep its attrition levels in check, ensuring that it remains far lower than the industry norms. Endorsing the company's culture fostering long-term employee association is the fact that most members who joined across different facilities and at different stages of the company's evolution are still engaged with Jamna Auto.



# Systems

As the company grows in size and locations, it is crucial that it has robust systems and processes in place. To achieve this objective the company has implemented SAP in Malanpur and Chennai plants.



The company intends to integrate the entire organization under SAP disciplines by 2011. This step is aimed at integrating a comprehensive set of cross-functional business processes and evolving into a system-led organization.

The company is TS 16949 certified – an international Quality Management System accreditation which endorses the excellent quality standards followed by the company.



# Financial *highlights*

(Rs in Lacs)

	2010		2009		2008	2007	2006	2005	2004	2003
	Consolidated	Standalone	Consolidated	Standalone	Standalone	Standalone	Standalone	Standalone	Standalone	Standalone
<b>OPERATIONAL RESULTS</b>										
Sales	66148.24	60602.50	52062.08	51378.17	54119.34	32371.82	21043.20	20954.02	12258.05	6595.38
Other Income	268.47	1746.14	797.06	795.58	340.82	227.31	53.50	107.91	29.59	48.95
	66416.71	62348.64	52859.14	52173.75	54460.16	32599.13	21096.70	21061.94	12287.64	6644.33
Total Expenditure	58436.88	55215.93	49115.01	48919.31	48383.11	30095.83	19253.90	19327.99	11110.92	6396.11
Operating Profit (PBDITA)	7979.83	7132.71	3744.13	3254.44	6077.05	2503.30	1842.80	1733.95	1176.72	248.22
Interest	2617.33	2562.34	3554.26	3548.17	2694.14	1243.47	1160.16	1070.27	794.76	957.28
Profit/(Loss) Before Depreciation (PBDT)	5362.50	4570.37	189.87	(293.73)	3382.91	1259.83	682.64	663.68	381.96	(709.06)
Depreciation	1434.57	1406.62	947.27	940.58	827.80	378.89	386.76	376.21	372.26	368.65
Profit Before Tax/Previous year Expenses/Income	3927.93	3163.75	(757.40)	(1234.31)	2555.11	880.94	295.88	287.46	9.70	(1077.71)
Exeptional Items - (Gain)/Loss	(35.88)	(35.88)	0.00	0.00	90.25	0.00	0.00	0.00	0.00	0.00
Deffered Revenue Expenditure	1503.35	1053.35	850.68	799.97	457.20	169.66	12.40	0.00	0.00	0.00
Profit Before Tax (PBT)	2460.46	2146.28	(1608.08)	(2034.28)	2007.66	711.28	283.48	287.46	9.70	(1077.71)
Tax	9.83	0.77	45.75	35.28	43.25	32.44	14.87	0.50	0.60	0.77
Deferred Tax Credit	539.67	556.74	(396.69)	(430.07)	357.92	46.40	191.03	100.87	159.89	(326.33)
Profit After Tax (PAT)/(Loss)	1910.96	1588.77	(1257.12)	(1639.49)	1606.49	632.44	77.58	186.09	(150.79)	(752.15)
Cash Profit/(Loss)	5362.50	4570.37	189.87	(293.73)	3382.91	1259.83	682.64	663.68	381.96	(709.06)
<b>FINANCIAL INDICATORS</b>										
Net Fixed Assets	16753.74	16254.48	15693.88	15252.58	13261.07	6364.41	5416.14	5285.01	5267.78	5558.95
Investments	525.00	721.99	525.00	721.99	527.00	1208.48	1208.48	1208.48	1208.48	1208.48
Current Assets	17586.31	15905.64	15449.98	15389.75	18940.95	8060.45	7650.68	7122.22	4765.64	3940.46
Share Capital	3653.60	3653.60	3652.91	3652.91	3387.22	1771.11	876.11	876.11	876.11	876.11
Preference Share Capital	350.00	350.00	350.00	350.00	350.00	-	-	-	-	-
Reserves & Surplus	4152.60	3491.67	3098.18	2712.78	3315.08	(260.60)	844.12	740.75	698.83	973.51
Net Worth	5444.20	4783.27	4311.13	4365.74	5116.26	939.87	751.29	635.52	593.60	868.28
Long Term Loan	10585.13	10585.13	13808.40	13808.40	13109.48	8431.30	6391.19	6723.05	6173.86	5893.91
Short Term Loan	295.13	295.13	381.82	381.82	1768.50	57.36	950.09	823.54	833.96	674.87
Working Capital From Banks	1001.56	615.42	1927.92	1927.92	2699.08	1496.92	1262.92	1844.73	1020.59	985.07
Current Liabilities & Provisions	18552.97	17633.40	12793.20	12457.44	11192.62	4907.77	5166.09	4026.18	3158.07	2983.83
<b>RATIO</b>										
PBDITA to Sales (%)	12.06	11.77	7.19	6.33	11.23	7.73	8.76	8.28	9.60	3.76
PBT to Sales (%)	3.72	3.54	(3.09)	(3.96)	3.71	2.20	1.35	1.37	0.08	(16.34)
PAT to Sales (%)	2.89	2.62	(2.41)	(3.19)	2.97	1.95	0.37	0.89	(1.23)	(11.40)
PBIT/Avg Capital Employed (ROACE) (%)	28.86	27.58	9.63	7.49	29.15	19.71	15.44	15.36	10.18	(0.51)
PAT/Net Worth (ROANW) (%)	35.10	33.22	(29.16)	(37.55)	31.40	67.29	10.33	29.28	(25.40)	(86.63)
Cash Earning Per Shares (Rs)	14.68	12.51	0.54	(0.84)	9.99	9.75	7.80	7.58	4.36	(8.10)
EPS (Rs)	5.23	4.35	(3.59)	(4.69)	5.59	4.89	0.89	2.13	(1.72)	(8.59)

Note: Consolidated position includes financials of wholly owned subsidiary i.e. JAI Suspension Systems Limited.



# Annual Report

## DIRECTORS' REPORT

*Dear Shareholders,*

The Directors of the company are pleased to present here the 44th Annual Report, together with the audited accounts and performance for the year ended 31 March 2010:

### FINANCIAL RESULTS:

(Rs in Crore)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Gross Sales	606.03	513.78	661.48	520.62
PBIDT	71.33	32.54	79.80	37.44
Finance cost	25.62	35.48	26.17	35.54
PBDT /Cash Profit	45.70	(2.94)	53.63	1.90
Depreciation & others	24.24	17.40	29.02	17.98
PBT	21.46	(20.34)	24.61	(16.08)
Provision for current tax	0.01	0.35	0.10	0.46
Provision for deferred tax	5.57	(4.30)	5.40	(3.97)
PAT	15.88	(16.39)	19.11	(12.57)
Previous year adjustment	8.11	7.06	8.07	7.06
Dividend distribution tax	-	-	0.51	-
Transfer to general reserves	-	-	1.84	-
Balance brought forward	(56.56)	(33.10)	(52.73)	(33.10)
Profit available for appropriation	7.77	(23.46)	8.68	(19.64)
Balance carried to Balance Sheet	(48.78)	(56.56)	(44.05)	(52.73)

*Consolidated position includes results of the company's wholly owned subsidiary Jai Suspension Systems Limited.*

### INDUSTRY SCENARIO & PERFORMANCE:

The global slowdown of 2008-2009 had adversely impacted every segment of the Indian auto industry, with commercial vehicles (CVs) segment reporting the sharpest demand decline. As the company is a leading supplier to all the major commercial vehicle manufacturers, it too suffered during the economic meltdown.

Supported by strong fundamentals and positive economic outlook, the Indian economy held its ground in the midst of the global crisis and the economic trend in the beginning of 2010 staged a recovery in the subsequent quarters. The Government of India also introduced a number of economic stimulus packages to boost demand, particularly in the infrastructure segment. These steps had a salutary effect in the recovery of the commercial vehicle segment. Demand for commercial vehicles went up resulting in all the major OEMs ramping up production.

Driven by robust pick-up in demand, CV segment witnessed sequential growth, especially over the last two quarters of 2009-10. Trend of CV production in 2007-08, 2008-09 and 2009-10 was as under:

Category	2007-08	2008-09	2009-10	Growth
Medium & Heavy CVs	294396	192380	248977	29%
Light CVs	142206	111247	159688	44%
Utility vehicles	364493	365767	493739	35%
<b>Total</b>	<b>801095</b>	<b>669394</b>	<b>902404</b>	<b>35%</b>

The company maintained the leadership position in sales to OEMs and also improved its market share to 66% in 2009-2010 as compared to 61% in the corresponding period of 2008-2009. The company continued cost control measures to improve productivity and efficiency. It brought down its borrowing cost to Rs 25.62 crore from Rs 35.48 crore in 2008-09. Export earnings went up to Rs 5.38 crore in 2009-10 as against Rs 3.11 crore in the corresponding period of previous year. The company ended the year with gross turnover of Rs 606 crore, net profit of Rs 15.88 crore and cash profit of Rs 45.70 crore for the year 2009-2010.

Commercial vehicle segment, like passenger cars, is also attracting leading international CV manufacturers. Daimler India, Mahindra Navistar, Asia Motor Works have already set up their base here. Ashok Leyland Ltd has also started production from its newly set up plant at Uttarakhand. Your company is now going to expand its footprint in the growing domestic and export after markets.

### MAJOR DEVELOPMENTS

#### (a) Air Suspension and allied items

The company is developing prototypes of Air Suspension, Lift Axle and Bogie Suspension for commercial vehicles with Technical Assistance from Ridewell Corporation, USA.

#### (b) Parabolic Springs

Tata Motors Limited has started using parabolic springs for some of its high selling models. Parabolic springs are lighter in weight resulting in improved vehicle performance. The company plans to augment its parabolic springs manufacturing capacity to meet the increased demand.

#### (c) UD Truck Corporation, Japan

UD Truck Corporation, Japan (subsidiary of VOLVO) has issued Letter of Intent to the company for supply of leaf springs to its Japanese Plant. The production is expected to commence from August, 2010.

#### (d) Expansion Plan

The company has decided to set up plants at Lucknow and Pune to meet the growing demand of OE customers at these two centres. The Jamshedpur Plant has commenced assembly



production of springs and the full production is expected to commence from October 2010.

#### **(e) Awards**

During the year, the company received an award from Tata Motors Ltd in recognition of its long and enduring relationship. Ashok Leyland Limited rewarded the company with its Best Vendor Gold Award for the year 2009-2010.

#### **R & D:**

The company's in-house R&D centre, recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, is continuously engaged in research to improve efficiency of springs for better road safety and comfort.

#### **DIVIDEND:**

In view of the current economic conditions and pending expansion program, the company's directors are not recommending dividend payment for 2009-10.

#### **HUMAN RESOURCE:**

Employees are an important asset of any corporate enterprise and success depends largely upon the quality of its employees.

The company endeavors to promote human resourcefulness at all levels from the shop floor to the corporate office. On the job and various in-house training programs have been put in practice to raise skill, education, aptitude and health of employees. The company has engaged JIPM (Japan Institute of Plant Management) to implement the best manufacturing practices in plants.

The company released the second round of Employees Stock Option Scheme and gave stocks options to 125 employees during the year. The particulars of Options issued, as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are appended as 'Annexure ' and form part of this Report.

#### **INTERNAL CONTROL SYSTEMS:**

M/s K. Khanna & Co., Chartered Accountants are the internal auditors of the company. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit majority of the transactions in value terms. The report of the internal auditors is placed before the Audit Committee.

A separate internal audit department has been set up to strengthen the company's control mechanism. The functions of the internal audit department are both to audit and check compliances. To ensure independence, the internal audit department directly reports to the CEO.

#### **SAP IMPLEMENTATION:**

SAP was implemented in the company's Chennai and Malanpur Plant.

#### **FIXED DEPOSIT:**

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

#### **ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:**

The particulars as prescribed under Section 217 (1) (e) of the

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

#### **PARTICULARS OF EMPLOYEES:**

Information as per Section 217 (2A) of Companies Act, 1956, read with companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per the provisions of Section 219 (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all members of the company, excluding the information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Corporate Office during working hours up to the date of Annual General Meeting.

#### **DIRECTORS:**

In accordance with the applicable provisions, Mr. P. S. Jauhar, Mr. C. K. Vohra and Mr. U. K. Singhal retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A brief of their profile is also provided in the notice convening the Annual General Meeting.

#### **AUDITORS:**

M/s Goel Garg & Co., Chartered Accountants, New Delhi, M/s A K Kalia & Associates, Chartered Accountants, Chandigarh and M/s ASG & Associates, Chartered Accountants, New Delhi retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. The report of the Auditors, read with the notes on accounts being self-explanatory, needs no further clarification.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

Consolidated Financial Statements of the company and its wholly owned subsidiary i.e. Jai Suspension Systems Limited for the financial year 2009-10 have been included in the Annual Report in compliance with the Accounting Standard 21.

The company has planned to convert Jai Suspension Systems Limited into a Limited Liability Partnership Firm. The Board of Directors has also granted approval for conversion of Jai Suspension Systems Limited into a Limited Liability Partnership Firm with new minority partners. The company will be the major partner in LLP.

#### **REPORT ON CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure 'B' and forms part of this report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) The Annual Accounts for the financial year ended 31st March 2010 are in conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India and no material departure from the same has been made;

- (b) Such Accounting Policies have been selected and consistently applied and judgments and estimates made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2009-2010 and of the profit or loss of the company for that period;
- (c) Proper and sufficient care was taken for maintenance of adequate accounting records maintained in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing & detecting any form of fraud and other irregularities;
- (d) The Annual Accounts for the financial year ended 31st March 2010 have been prepared on a going concern basis.

**APPRECIATION:**

Our shareholders, employees and customers remain the centre of our focus. Our endeavor is to continue our efforts in value maximization, encouraging transparency and effective communication with all stakeholders.

We also place on record our appreciation for the contributions made by employees at all levels, bankers and financial institutions.

For and on behalf of the Board

Date : 8 July, 2010

Place : New Delhi

**(B. S. Jauhar)**

Chairman



# ANNEXURE "A" TO THE DIRECTORS' REPORT

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

## A. CONSERVATION OF ENERGY

- (a) Energy conservation measure taken:
- Your Company is optimizing the production processes to reduce energy cost.
  - Furnaces are being reinsulated to avoid heat losses.
  - ETP treated water is being utilized for tree plantation and gardening.
  - Fume extraction system are under installation which will prevent quenching oil drops being released in the air.
- (b) Additional investment and proposal, if any, being implemented for reduction of energy:
- Your company is engaged in energy conservation on continuous basis.
- (c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production.
- Effective & lower energy consumption, less maintenance etc. It is however, difficult to determine their impact on the cost of production.
  - The power position in the Plants have been improved. This has resulted in improvement in power consumption.
  - The company is working on the optimum load factor and getting maximum benefit of reduced tariff.
- (d) Total energy consumption & energy consumption per unit of production as per Form A of the Annexure II in respect of industries specified in the schedule thereto: Not Applicable.

## B. RESEARCH & DEVELOPMENT

- (a) Specific Areas in which the company carries out R&D
- Study on SSP operation to enhance product life.
  - Conversion of conventional springs to Parabolic Springs in HCVs
  - Study of Strength of different kind of steel grades.
- (b) Benefits derived as a result of R&D
- Enhanced product life.
  - Weight, cost reduction and life & ride improvement with introduction of parabolic springs

- Rationalisation of steel for better life and cost.
- (c) Future Plan of Action.
- Generation of data base on product life with different steel stresses.
  - Process establishment for High Stress springs
- (d) Expenditure on R&D: (Rs in crore)
- Capital/Deferred Revenue: 15.26 (12.04)
  - Recurring: 0.41 (0.13)
  - Total: 15.67 (12.17)
  - Total R&D expenditure as percentage of Total Turnover: 2.59% (2.36 %)

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

## C. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

- (a) Technology Absorption, adaptation and innovation
- Technology imported from NHK for manufacturing of Leaf Springs has been fully absorbed.
  - Technical help from NHK has yielded better improvement in the quality and productivity for the new product range developed for overseas customers.
  - Your company is also engaged in various other initiatives related to improvements in the process.
- (b) Benefits derived as a result of the above efforts.
- R&D Center will help in reducing development time and improve our product with new technological advancements.
- (c) Technology imported (For the manufacture of Leaf Springs)
- Year of import: (1985-90)
  - Has technology been fully absorbed: As reported above, the technology has been fully absorbed.

## D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details of foreign exchange earning and outgo as under:-

Particulars	(Rs in crore)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Foreign exchange used	50.50	103.56
Foreign exchange earned	5.20	2.56

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### Disclosure regarding Employees Stock Option Plan pursuant to the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and forming part of the Directors' Report for the year ended 31 March, 2010.

Particulars	For the Year ended 31.03.2010	Cumulative options upto 31.03.2010
1. Number of Options granted	867461	1181461
2. Pricing formula i.e. Rs. 52.40	Market price at the time of grant of option for 867461 options	Market price at the time of grant of option Rs. 30.62 each option for 257000 options Rs. 44.20 each option for 57000 options Rs. 52.40 each option for 867461 options
3. Options vested	42945	119520
4. Options exercised	6525	6525
5. Total number of shares arising as a result of exercise of option	6525	6525
6. Options lapsed/Cancelled	13775	99275
7. Variation in terms of options	Nil	Nil
8. Money realized by exercise of options	Rs. 199796	Rs. 199796
9. Total number of options in force	1082186	1082186
10. Employee-wise details of options granted during the year to		
i) Senior managerial personnel	575961	889961
ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	Nil
iii) Employees who received the options during the year equal to or exceeding 1% of the issued capital of the company at the time of grant	Nil	Nil
11. Diluted earning per share (EPS) pursuant to issuance of options under ESOP calculated in accordance with International Accounting Standard (IAS) 33	4.35	4.35

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

13. Weighted average exercise price (per option)  
Weighted average fair value of per option:  
(as per Black Scholes model) 31.81

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

- Risk free interest rate Interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield for Government Security.
- Expected life 2 Years
- Expected volatility (%) 39.45%
- Expected Dividend (%) Nil
- Price of underlying shares in the market at the time of option grant Rs. 30.62 for 257000 options  
Rs. 44.20 for 57000 options





# ANNEXURE 'B' CORPORATE GOVERNANCE REPORT

## THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company places great emphasis on transparency, timely disclosure, professionalism, accountability and adoption of policies and procedures in conformity with the best corporate governance practices. The company puts great emphasis on internal controls, strong system, risk management, safety standards at plants and protection of environment and integrity of accounting practice.

## BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

### Composition of the Board

Total strength of the Board of Directors of the company is 12 directors comprising 3 executive directors and 9 non executive directors. The Chairman of the Board, Mr. B. S. Jauhar is a promoter & non executive director. Non executive directors comprise independent, non independent and nominee directors. Total number of independent directors on the Board is 6 and number of nominee directors of lenders and investors comprise 4 directors.

Name	Designation	Status	No. of meetings attended	Attendance at last AGM	No. of directorship in other companies	No. of membership of other committees	No. of chairmanship in other companies
Mr. B. S. Jauhar	Chairman Non Executive director	Promoter	1	Yes	1	-	-
Mr. R. S. Jauhar	CEO & Executive Director	Promoter	5	Yes	2	1	-
Mr. P. S. Jauhar	COO & Executive Director	Promoter	5	Yes	-	-	-
Mr. S. P. S. Kohli	President & Executive Director	Non Independent	2	No	2	-	-
Mr. Robert Dean Petty	Nominee - CCP (Cyprus)* Non executive director	Non Independent	1	No	1	-	-
Dr. Pierre Jean Everaert	Nominee - CCP (India)* Non executive director	Non Independent	-	No	-	-	-
Mr. D. K. Jain	Nominee - IFCI Ltd Non executive director	Independent	3	No	-	-	-
Mr. J. K. Jain	Nominee - ICICI Bank Ltd Non executive director	Independent	4	No	3	3	-
Seth Ashok Kumar	Non executive director	Independent	-	No	3	1	2
Mr. C. K. Vohra	Non executive director	Independent	-	Yes	-	-	-
Mr. U. K. Singhal	Non Executive director	Independent	5	No	1	-	-
Mr. Shashi Bansal	Non executive director	Independent	3	No	-	-	-
Mr. V. S. V. Rao**	Nominee - IFCI Ltd. Non executive director	Independent	1	N.A.	N.A.	N.A.	N.A.

\*CCP(Cyprus) : Clearwater Capital Partners (Cyprus) Ltd

\*CCP( India) : Clearwater Capital Partners India Pvt. Ltd

\*\*w.e.f. 4 September 2009 Mr. D. K. Jain was appointed as nominee director of IFCI Limited on the Board of Directors of the company in place of Mr. V. S. V. Rao

### Meetings of the Board

During the financial year ended 31 March, 2010, total 5 meetings of the Board of Directors were held on 30.04.2009, 31.07.2009, 4.09.2009,

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24.10.2009 and 30.01.2010. Board meetings were held at Corporate Office of the company at New Delhi and the maximum gap between two board meetings was less than four months.

### AUDIT COMMITTEE

Audit Committee of the Board comprises 5 directors. All the members of the Audit Committee are non executive and 4 out of which are independent directors. All members of the Committee are financially literate and Mr. C. K. Vohra, Mr. J. K. Jain and Mr. D. K. Jain have expertise in accounting and financial management as per Clause 49 of the Listing Agreement. Chairman of the Audit Committee, Mr. C. K. Vohra is an Independent Director. He is a retired Indian Revenue Service official and has rich experience in the field of finance. The role and powers enumerated in Clause 49 (II) of the Listing Agreement are included in the scope of the Audit Committee. President Finance, representatives of Statutory Auditors and officials of the company are invited to attend the Audit Committee meetings as and when required. Mr. Praveen Lakhera, Company Secretary & Head Legal acts as the Secretary to the Committee.

### Composition

Name of the Director	Designation	Status	No. of Meetings Attended
Mr. C. K. Vohra	Chairman	Non executive & Independent	-
Mr. J. K. Jain	Member	Non executive & Independent	4
Mr. U. K. Singhal	Member	Non executive & Independent	6
Mr. D. K. Jain	Member	Non executive & Independent	4
Mr. Robert Dean Petty	Member	Non executive & Non Independent	1
Mr. V. S. V. Rao*	Member	Non executive & Independent	2

\*w.e.f. 4 September 2009. Mr. D. K. Jain was appointed nominee director of IFCI Limited on the Board of Directors of the company in place of Mr. V. S. V. Rao.

### Meetings of the Audit Committee

During the financial year ended 31 March, 2010, total 6 meetings of the Audit Committee were held on 30.04.2009, 31.07.2009, 04.09.2009, 24.10.2009, 29.01.2010 and 30.01.2010.

### COMPENSATION COMMITTEE (ESOP)

#### Composition

The Compensation Committee was constituted under SEBI ESOP Guidelines, 1999 to formulate, inter alia, detailed terms & conditions for granting stock options to the employees of the company and subsidiary under ESOP scheme approved by the members. The Committee consists of four Non Executive and one Executive Directors. The Chairman of the committee is Mr. U. K. Singhal who is a Non Executive and Independent director.

Name of the Director	Designation	Status
Mr. U. K. Singhal	Chairman	Non executive & Independent
Mr. C. K. Vohra	Member	Non executive & Independent
Mr. J. K. Jain	Member	Non executive & Independent
Mr. R. S. Jauhar	Member	Executive & Non Independent
Mr. Robert Dean Petty	Member	Non executive & Non Independent

### Meetings of the Compensation Committee

During the financial year ended 31 March, 2010, one meeting of the Compensation committee was held to grant stock option to eligible employees under the company's second ESOP Scheme and to allot shares upon exercise of stock options under the company's first ESOP Scheme.

### BORROWING, INVESTMENT & ADMINISTRATIVE COMMITTEE

#### Composition

Borrowing, Investment & Administrative Committee of the Board has been formed to take decisions on miscellaneous matters which include



borrowing, investment etc. The Committee comprises two Executive and two Non Executive Directors. The Chairman of the committee is Mr. U. K. Singhal who is a Non Executive and Independent Director.

Name of the Director	Designation	Status
Mr. U. K. Singhal	Chairman	Non executive & Independent
Mr. R. S. Jauhar	Member	Executive & Non Independent
Mr. S. P. S Kohli	Member	Executive & Non Independent
Mr. Robert Dean Petty	Member	Non executive & Non Independent

During the financial year ended 31 March, 2010, total 3 meetings of the Committee were held.

#### CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and senior management of the company. The code of conduct is available on the website of the company: [www.jaispring.org](http://www.jaispring.org). Senior management personnel have affirmed compliance with the Code of Conduct.

#### ANNUAL GENERAL MEETINGS

Details of last three Annual General Meetings of the company:

Year	Date of AGM	Time & Venue	Special Resolution, if any, passed at AGM
2009	30.09.2009	11:00 a.m. at the Registered Office of the company	Nil
2008	30.09.2008	11:30 a.m. at the Registered Office of the company	Nil
2007	29.09.2007	9.00 a.m. at the Registered Office of the company	Nil

No special resolution was passed through postal ballot during the financial year ended on 31 March 2010. Further, no special resolution was proposed to be conducted through postal ballot.

#### DISCLOSURES

##### (A) Basis of related party transactions

The statements containing the transactions with related parties are submitted periodically to the Audit Committee. Except for the transactions/contracts reported under Note no. XVII of Schedule 20 of the Balance Sheet, no other transaction of material nature has been entered with subsidiary/promoter/directors/their relatives/companies etc., that may have potential conflict with the interest of the company at large.

There have been no instances of non-compliance, penalties or stricture imposed upon your company relating to capital market.

##### (B) Remuneration Committee

###### Composition

Remuneration Committee of the Board comprises 5 directors. All the members of the Committee are non executive and 4 out of which are independent directors. Chairman of the Committee, Mr. C. K. Vohra is an Independent Director. The brief scope of the Committee is to make recommendation to the Board about the remuneration of the executive directors and Chairman of the Board and other senior executives as designated by the Board.

Name of the Director	Designation	Status
Mr. C. K. Vohra	Chairman	Non executive & Independent
Mr. J. K. Jain	Member	Non executive & Independent
Mr. U. K. Singhal	Member	Non executive & Independent
Mr. D. K. Jain	Member	Non executive & Independent
Mr. Robert Dean Petty	Member	Non executive & Non Independent

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During the financial year ended 31 March, 2010, no meeting of the remuneration committee was held.

### (C) Remuneration of Directors

Executive Directors draw monthly remuneration from the company and Non Executive Directors are paid sitting fees for attending the meetings of the Board of Directors or Committee of the Board.

#### Non-Executive Directors

There has been no pecuniary transaction or relationship between the company and its Non Executive and/or Independent Directors during the financial year ended 31 March, 2010.

No stock options were granted to Non – Executive Directors or Independent Directors during the year under review.

During the financial year ended 31 March, 2010 the company has paid following sitting fee to the Non executive directors.

Name of Director	Sitting Fee Paid	No. of equity shares held
Mr. Robert Dean Petty	-	-
Mr. Pierre Jean Everaert	-	-
Mr. D. K. Jain	Rs 35000	-
Seth Ashok Kumar	-	5250
Mr. J. K. Jain	Rs 25000	-
Mr. C. K. Vohra	-	-
Mr. U. K. Singhal	Rs 85000	-
Mr. Shashi Bansal	Rs 15000	-

#### Executive Directors

The following remuneration was paid to executive directors during the financial year 2009-10:

	Mr. R. S. Jauhar	Mr. P. S. Jauhar	Mr. S. P. S. Kohli
Remuneration	Rs 83.52 lacs	Rs 83.20 lacs	Rs 18.89 lacs
ESOP	-	-	50500 ESOP

### (D) Management

The Management Discussion and Analysis Report is given separately in the Annual Report.

### (E) Shareholders

Mr. P. S. Jauhar, Mr. C. K. Vohra and Mr. U. K. Singhal are retiring by rotation at the Annual General Meeting and, being eligible, offer themselves for re-appointment. Mr. C. K. Vohra and Mr. U. K. Singhal are non executive directors and do not hold any shares in the company. Brief resume of the directors are given separately in the notice to the Annual General meeting.

### (F) Shareholders' Grievance & Transfer Committee

#### Composition

Shareholders' Grievance & Transfer Committee of the Board comprises two executive directors and one non executive independent director. The Chairman of the Shareholder's Grievance & Transfer Committee, Mr. U. K. Singhal is a Non executive and Independent director.

Name of the Director	Designation	Status
Mr. U. K. Singhal	Chairman	Non executive & Independent
Mr. R. S. Jauhar	Member	Executive & Non Independent
Mr. S. P. S. Kohli	Member	Executive & Non Independent



Status of investor complaints received and redressed during the financial year ended 31 March 2010

Pending on 1 April 2009	NIL
Received during the year	5
Resolved during the year	5
Pending on 31 March 2010	NIL

Mr. Praveen Lakhera, Company Secretary & Head-Legal is the Compliance Officer. The company confirms that there are no share transfers pending as on 31 March, 2010 for more than 30 days from the date of lodging thereof.

#### **Share Registrar & Transfer Agent (RTA)**

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

Skyline Financial Services (P) Ltd.,  
246, 1st Floor, Sant Nagar, East of Kailash,  
New Delhi-110 065  
Ph. 011- 26292682, 26292683 26292681(fax)  
Email: grievances@skylinerta.com

#### **Share Transfer System**

Skyline Financial Services Pvt. Limited is the Share Registrar & Transfer Agent of the company for both physical and demat form of shares. All transfer requests received till seven days prior to the date of the meeting are normally considered for approval in the meeting. All requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days. Grievances received from the members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar expeditiously.

#### **(G) Relationship between Directors**

Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P.S. Jauhar, COO & Executive Director are related to each other. Mr. B. S. Jauhar is the father of Mr. R. S. Jauhar and Mr. P. S. Jauhar.

**(H)** The company is complying with mandatory requirements and has also constituted Remuneration Committee as prescribed in the non mandatory requirements of clause 49 of the Corporate Governance.

#### **CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES**

In compliance with the SEBI regulation, the company has instituted a comprehensive code of conduct towards prevention of Insider Trading. The code lays down guidelines pertaining to the preservation or prevention of misuse of price sensitive information, holding period, pre clearance of trade and the disclosures to be made while dealing with shares of the company. The code is available on the website of the company: [www.jaispring.org](http://www.jaispring.org). Members of the Board and senior management personnel have affirmed compliance with the Code.

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

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

#### **DEMATERIALIZATION OF SHARES**

The shares of the company are in compulsory Demat Mode and as on 31 March, 2010 approximately 86.24% of the shareholding was held in Demat Mode.

#### **GENERAL SHAREHOLDER INFORMATION**

##### **Date, time and Venue of the 44th Annual General Meeting:**

Saturday, 7 August, 2010 at 11:30 am at the Registered Office at Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana.

##### **Financial Calendar (tentative and subject to changes)**

Financial Year: 1st April 2010 to 31st March 2011

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- (a) Un-audited Financial Results for Quarter ending June, 2010: 15 August, 2010
- (b) Un-audited Financial Results for Quarter ending September, 2010: 15 November, 2010
- (c) Un-audited Financial Results for Quarter ending December, 2010 : 15 February, 2011
- (d) Un-audited Financial Results for Quarter ending March, 2011 : 15 May, 2011
- (e) Audited Results for the year ending 31 March 2011: September 2011

### Book Closure Dates

Wednesday, 4 August, 2010 to Friday 6 August, 2010 (both days inclusive).

**Dividend Payment Date:** Not applicable.

### Listing on Stock Exchanges

- Bombay Stock Exchange Ltd.
- Delhi Stock Exchange Association Ltd.
- Ludhiana Stock Exchange Association Ltd.

With the proposed restoration of securities trading in the Delhi Stock Exchange, the company proposes not to pursue delisting with Delhi Stock Exchange.

### WEBSITE

[www.jaispring.org](http://www.jaispring.org)

ISIN No. (Equity Shares): INE039C01016

STOCK CODE : 520051 (BSE)

MARKET PRICE DATA : At BSE

### Stock price movement at BSE

Month	High (Rs)	Low (Rs)	Close (Rs)
April 2009	17.50	10.10	15.25
May 2009	22.80	14.10	22.80
June 2009	30.35	21.05	23.25
July 2009	37.80	23.25	37.30
August 2009	60.80	36.05	49.45
September 2009	55.00	44.05	54.35
October 2009	59.85	47.10	47.55
November 2009	64.40	42.00	56.05
December 2009	66.90	50.55	66.90
January 2010	79.70	55.60	56.55
February 2010	60.85	47.25	50.10
March 2010	86.45	50.35	83.00

### DISTRIBUTION SCHEDULE

Share Holding Class	No. of Share holders	% of Total	No. of Shares of Rs 10 each	% of Total
Up to 500	19661	94.38	2593163	7.09
501 to 1000	666	3.20	513749	1.41
1001 to 2000	215	1.03	316651	0.87
2001 to 3000	73	0.35	184622	0.51
3001 to 4000	36	0.18	127421	0.35
4001 to 5000	23	0.11	106516	0.29
5001 to 10000	69	0.33	507115	1.39
10001 and above	88	0.42	32189335	88.09
<b>Total</b>	<b>20831</b>	<b>100</b>	<b>36538572</b>	<b>100</b>



#### SHAREHOLDING PATTERN AS ON 31 MARCH 2010:

Category	No. of shares held	% of issued share capital
Promoters	16357249	44.77
Mutual Funds / UTI	46050	0.13
Financial Institutions / Banks	6850	0.02
FII's	300985	0.82
Bodies Corporate	2277084	6.23
Indian Public	5404720	14.79
NRI's /Foreign Nationals	222928	0.61
Foreign Company	11922706	32.63
<b>Total</b>	<b>36538572</b>	<b>100.00</b>

#### MEANS OF COMMUNICATIONS

##### Financial Results

Financial results of the company are sent to the Stock Exchanges and published in the newspapers as per the requirement of the Listing Agreement. The financial results are published generally in Business Standard or Financial Express for English newspaper and Veer Arjun or Jansatta for vernacular language.

The company's website is periodically updated with information relating to shareholding pattern, financial results, corporate announcement, press releases and other media/ analysts presentation.

The company has made presentation to analysts in the financial year 2009-2010 which is available at the Investor section of company's web site.

#### PLANT LOCATIONS

- Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana.
- U- 27-29, Industrial Area, Malanpur, District Bhind– 477116, M.P.
- Plot No. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, Distt. Kanchipuram- 603 204, Tamil Nadu.
- 262 - 263, Village Karnidih, Chandil, District Saraikella, Kharswan - 832401, Jharkhand.

#### CORPORATE OFFICE

2 Park Lane, Kishangarh,  
Vasant Kunj, New Delhi –110 070  
Ph: 011-26893331, 26896960 Fax: 011-26893180, 26893192

#### COMPLIANCE

This certificate dated 8 July, 2010 obtained from the Statutory Auditors forms part of this Annual Report and the same is given herein after.

#### Auditors' Certificate on compliance of the provisions of the code of Corporate Governance in the Listing Agreement

To,  
The members of Jamna Auto Industries Limited  
We have examined the compliance of conditions of Corporate Listing Agreement of the said company with Stock Exchanges.  
The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.  
In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of Listing Agreement.  
We state that no investor grievances are pending against the company as per the records maintained by the company and presented before the Shareholder's Grievances Committee.  
We further state that such compliance is neither an assurance as the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For ASG & Associates**  
Chartered Accountants

**(Amar Jeet Singh)**  
Partner  
M. No.: 89285

Date: 8 July, 2010  
Place: New Delhi

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

**(Lalit Goel)**  
Partner  
M. No.: 91100

**For A.K. Kalia & Associates**  
Chartered Accountants

**(Anil K. Kalia)**  
Proprietor  
M. No.: 085672

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. What is the company's perception about the global industry scenario?

Chinese and Indian economies, led by strong domestic demand and cautious monetary policies in the past, were quick to recover from the 2008 financial meltdown which gripped the US and European economies. Both China and India have posted strong GDP growth in 2009-10. While the recovery in USA has been gradual in 2009 and the first quarter of 2010, recovery in Europe continues to be sluggish. Germany and French economies have been relatively stable while Greece, Spain and Portugal economies are under severe pressure.

The US CV market has been in a downturn since 2007 as volumes dropped by almost 40% in 2009. Sales of cars and trucks in 2006 were approx 17 million which came down to 13.4 million in 2008 and fell to around 10.6 million in 2009. The scenario was worse in Europe, commercial vehicle demand from 2007 has dropped by over 60%

The overall economic indicators suggest that the worst is over and the global economy is on road to recovery. The auto industry is showing signs of revival, especially with the significant demand improvement in the automobile and replacement markets. Major growth in the automobile industry worldwide is being generated in the Asia Pacific region, particularly in China, India and Thailand.

## II. How has the Indian automobile sector, particularly commercial vehicles, performed in 2009-10?

The recovery in the CV segment was led by revival in industrial recovery as well as the Government's stimulus measures. Within CV segment, LCVs have performed better than medium & heavy commercial vehicle (MHCV). As the table below indicates, growth in medium and heavy CV segment in 2009-10 was still lower than the 2007-08 position which shows that M&HCV segment has potential of posting higher growth in the near future.

Going forward, it is expected that recovery in the overall economy and pick-up in industrial demand will drive CV sales and volumes, particularly in medium & heavy CV segment, to rise in 2010-11.

The trend in CV production as under:

Category	2007-08	2008-09	2009-10	Growth
Medium & Heavy CVs	294,396	192,380	248,977	29%
Light CVs	142,206	111,247	159,688	44%
Utility vehicles	364,493	365,767	493,739	35%
Total	801,095	669,394	902,404	35%

## III. How do you see the outlook for your company in 2010-11 onwards?

We remain optimistic about the country's economic performance and forecast of GDP growth of around 7.5% in 2010-11 onwards. The Indian automotive sector is poised for robust growth and is expected to contribute over 8% of the country's GDP. There are a number of factors which are expected to further increase demand of CVs.

- Focus in infrastructure development will continue which will add to CV demand. This will further accelerate the growth of your company.
- Share of freight movement by road transport sector has been steadily rising vis-à-vis rail, air, waterways, and pipeline supplies over the years. With improved road network, the share is expected to further go up.
- Recent Supreme Court ruling on plying of old CVs in metro, if strictly followed by the government agencies, is a favourable development for the CV segment.
- Action against overloading of CVs by transporters will have positive impact in CV demand.

Indian auto component suppliers stand to gain on account of the ramp-up in production of domestic and global majors. Players with scale, proven technical strengths and strong relations with clients remain better placed within the overall auto component industry. While presence in overseas markets is a positive for exports, with uncertainty on the strength of recovery in Western markets, it is anticipated that domestic revenues would sustain overall momentum for Indian auto component majors.

## IV. What is the future outlook of the company and how is the company equipped to face slow-down in demand?

Going forward, the company will focus on:

- Enhancement of product portfolio.
- Invest in technology and capacity, reduction in manufacturing cost, finance cost and debt.
- Increase in domestic and overseas OEMs' market share.
- Higher penetration in domestic and overseas replacement market segments as part of overall de-risk strategy.
- Cost rationalization.





Currently, the product mix of the company comprises 92% of conventional and 8% for parabolic springs. With increased awareness about the advantages of parabolic over conventional, there is shift in OEM demand for parabolic, which augurs well for the company. The company expects its order book to jump significantly in favour of parabolic springs, thereby giving a significant fillip to its profitability.

As we have mentioned above, the company will give added emphasis in improving its market share in domestic and overseas replacement market. Experience shows that sales in these segments are generally not as adversely impacted as in OEM segment during recession or slowdown. As the past experience and trend during slowdown/recession phase shows that CV segment does go through cyclical downward phase. Various measures taken in the past to contain cost has enabled the company to bring down its break-even level. We strongly feel that the company is better prepared to cope with any downward eventuality.

**V What is the Risk management policy of the company?**

Since its major sales are to the OEMs, any adverse economic condition impacts CV segment first. The company is trying to derisk itself from OE concentration by increasing its market presence in the domestic and overseas replacement market. It is going to be multi locational company with multi products which

should insulate JAI from the adverse impact of any recessionary cycle. JAI will have considerable competitive edge in the growing domestic replacement market because of its presence in strategic locations giving logistic advantage.

**VI What is Jamna philosophy of Corporate Social Responsibility (CSR)?**

Environment and education are an integral part of the Jai's CSR initiative. All the JAI plants are surrounded by high tree and green coverage and landscaping, with continuous effort to give people clean, green and environment-friendly atmosphere.

The company complies with all pollution and environment standards, and as an engineering company, follows all norms as per the Pollution Control Board.

**VII What are the internal controls in the company?**

The company puts great emphasis on best practices in corporate governance. SAP has been implemented in its two main Plants (Malanpur & Chennai). Other plants will be SAP compliant in 2010-11. The company has put in strong internal controls with proper schedule of authority. Besides an external Internal Auditor, the Group has an independent Internal Audit Department which constantly reviews accounting, legal, safety and environment compliances.

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF JAMNA AUTO INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of JAMNA AUTO INDUSTRIES LIMITED as at March 31, 2010 and also the Profit and Loss Account annexed thereto and the Cash Flow Statement for the year ended on that date. 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 Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amend.) Order 2004 issued by the Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow of the company comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - (e) On the basis of written representations received from the Directors and on the basis of Form DD-A submitted by all the directors to the company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) sub-section (1) of Section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts 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.
    - i) In the case of the Balance Sheet, of the state of the affairs of the company as at 31st March 2010 and;
    - ii) In the case of Profit and Loss Account, of the Profit of the company for the year ended on that date.
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For A S G & Associates**  
Chartered Accountants

**(Amar Jeet Singh)**  
Partner  
M. No.: 89285

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

**(Lalit Goel)**  
Partner  
M. No.: 91100

**For A. K. Kalia & Associates**  
Chartered Accountants

**(Anil K. Kalia)**  
Proprietor  
M. No.: 085672

Date : 8 July, 2010  
Place : New Delhi



## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

### TO THE SHAREHOLDERS OF JAMNA AUTO INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

- (i) (a) In our opinion, the company has maintained proper record, showing full particulars including quantitative details and situation of fixed assets.
- (b) As certified by the Management, the fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies with respect to book records were noticed on such verification.
- (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern status of the company.
- (ii) (a) As explained to us and as certified by the Management, physical verification of inventory has been conducted by Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the record of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- (iii) (a) The company has granted unsecured loan to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Number of such parties is one and amount outstanding as on 31.03.2010 is Nil, maximum amount outstanding during the year is Rs. 207.40 lacs and
- (b) The rate of interest and other terms and conditions of the loan are not prima facie prejudicial to the interest of the company.
- (c) The loan is repayable on demand. However, as on 31.03.2010 no amount is outstanding . The loan has been squared up.
- (d) Since the principal amount and the interest on the loan has been repaid during the year, sub-clause (d) is not applicable.
- (e) Sub-clauses (e), (f) and (g) are not applicable since the company has not taken any loan secured or unsecured from companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us the transactions in pursuance of contracts or arrangements entered into register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the explanation furnished by the Management regarding necessity of meeting the technical specification, quality control requirements and delivery schedules. The comparison of the prices of similar transaction with other parties and the prevailing market prices is not available since the company has not dealt with others in this regard.
- (vi) The company has not accepted public deposits, hence the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable. We are informed that no order has been passed by the company Law Board, or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal during the year in this regard.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However we have not, nor we are required, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) In respect of statutory dues :
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31.03.2010 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues that have not been deposited on account of matters pending in appeal/ adjudication before appropriate authorities are as under:

## JAMNA AUTO INDUSTRIES LTD

Sl. No.	Name of Statute	Nature of dues	Forum where dispute is Pending	Amount (Rs in lacs)
1	Central Excise Act, 1944	Cenvat on canteen services	Additional Commissioner, of Central Excise, Indore	6.58
2	Entry Tax/ Sales Tax	Forging benefit	MP Commercial Tax Appellate Board, Bhopal	11.78
3	Nikaykar	Payment of Nikaykar	MP Commercial Tax Appellate Board, Bhopal	0.65
4	State Sales Tax	Set off the sales tax liability incurred during the expansion of the unit	MP Commercial Tax Appellate Board, Bhopal	0.25
5	Central Sales Tax	Non considering of C Forms	Additional Commissioner Commercial Tax, Gwalior	9.19
6	Central Excise Act, 1944	Excise Duty	High Court, Indore	7.47
7	Service Tax	Service Tax on outward transport of goods	Assistant Commissioner, Indore	1.45
8	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	2.14
9	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	0.34
10	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	2.29
11	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	4.25
12	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	3.54
13	Central Excise Act, 1944	Cenvet credit on capital goods	Customs Excise and Service Tax Appellate Board, Delhi	2.39
14	Service Tax	Old Machinery	Customs Excise and Service Tax Appellate Board, Delhi	0.85
15	Central Excise Act, 1944	Cenvat on HR Sheets	Commissioner Appeal Central Excise, Gurgaon	0.34
16	Service Tax	Service Tax on outward transport of goods	Commissioner Appeal Central Excise, Delhi	1.12
17	Central Excise Act, 1944	Cenvat Credit on goods received back into the factory on the basis of own invoices	Assistant Commissioner Central Excise, Yamuna Nagar	4.05
18	Central Excise Act, 1944	Cenvat Credit towards Service Tax on outward freight.	Assistant Commissioner Central Excise, Yamuna Nagar	1.35
19	Sales Tax Act	Penalty for incomplete form-38, during transport of goods	Joint Commissioner Sales Tax, Bijnor	6.20
20	E.S.I. Act, 1948	Employee State Insurance	Labour Court, Chennai	14.05
21	E.S.I. Act, 1948	Employee State Insurance	Regional Office of the Corporation, Chennai	8.34
22	Central Excise Act, 1944	Interest on supplementary bills	Customs Excise and Service Tax Appellate Board, Delhi	0.49
23	Central Excise Act, 1944	Service Tax on outward transport of goods	Commissioner Appeal Central Excise, Gurgaon	3.45
			Total	92.56



- (x) The accumulated losses of the company are not more than fifty percent of its net worth as on 31.03.2010, and the company has not incurred cash losses during the financial year under consideration and had incurred cash loss of Rs. 1000.15 lacs in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that since the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.
- (xiii) The company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable. Accordingly provision of sub clause (xiii) of the order is not applicable.
- (xiv) According to the information and explanations given by Management, the company is not dealing or trading in shares, securities, debentures and other investments. The company has made investments in unquoted shares of Companies for which proper records have been kept by the company. All the investments are in the name of the company.
- (xv) Based on our examination of the records and as explained by the Management, we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) Based on our examination of the Balance Sheet and Cash Flows of the company as at 31st March 2010, and information and explanations given to us, we report that funds raised on a short-term basis have not been used for long-term investment.
- (xviii) The company has issued 6525 equity shares to its employees under Employees Stock Option and no other preferential allotment has been made to the parties and Companies covered in the Register maintained under Section 301 of the Act. The price at which 6525 equity shares were issued to the employees under Employees Stock Option is not prima facie prejudicial to the interest of the company.
- (xix) During the period covered by our Audit report, the company has not issued any Debentures requiring report under this clause.
- (xx) During the year ended 31st March 2010, the company has not raised money by way of public issue. Accordingly, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the company has been noticed or reported during the year.

# Balance Sheet AS AT 31 MARCH, 2010

(Rs in lacs)

DESCRIPTION	Schedule No.	As at 31.03.2010		As at 31.03.2009	
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUND</b>					
Share Capital	1	4003.60		4002.91	
Reserves & Surplus	2	8369.98	12373.58	8368.55	12371.46
<b>LOANS FUNDS</b>					
Secured Loans	3	9245.75		13821.98	
Unsecured Loans	4	2249.93	11495.68	2296.16	16118.14
<b>TOTAL</b>			<b>23869.26</b>		<b>28489.60</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5	24907.83		18914.22	
Less: Depreciation		10803.11		9260.64	
Net Block		14104.72		9653.58	
Capital Work-in-progress		2149.76	16254.48	5599.00	15252.58
<b>INVESTMENTS</b>					
	6		721.99		721.99
<b>Deferred Tax - Assets ( Ref. Note xviii Sch. 20)</b>			1030.25		1586.99
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	7	6816.76		5876.72	
Sundry Debtors	8	5327.49		6463.53	
Cash and Bank Balances	9	1467.84		1300.77	
Loans and Advances	10	2293.55		1748.74	
		15905.64		15389.76	
Less: Current Liabilities & Provisions	11	17633.40		12457.44	
Net Current Assets			(1727.76)		2932.32
<b>MISCELLANEOUS EXPENDITURE</b>					
(To the extent not written off/adjusted)	12		2712.00		2339.95
Balance in Profit & Loss Account			4878.31		5655.77
<b>TOTAL</b>			<b>23869.26</b>		<b>28489.60</b>

Significant Accounting Policies and Notes on accounts 20

For and on behalf of the Board

**(R. S. Jauhar)**

CEO &amp; Executive Director

**(P. S. Jauhar)**

C O O &amp; Executive Director

**(Gautam Mukherjee)**

President - Finance

**(Praveen Lakhera)**

Company Secretary &amp; Head Legal

As per our report of even date attached

**For A.S.G & Associates**

Chartered Accountants

**Goel Garg & Co.**

Chartered Accountants

**A. K. Kalia & Associates**

Chartered Accountants

**(Amar Jeet Singh)**

Partner

**(Lalit Goel)**

Partner

**(Anil K. Kalia)**

Proprietor

Date : 8 July, 2010

Place : New Delhi



# Profit and Loss Account FOR THE YEAR ENDED 31 MARCH, 2010

(Rs in lacs)

DESCRIPTION	Schedule No.	Year ended 31.03.2010		Year ended 31.03.2009	
<b>INCOME</b>					
Sales	13	60602.50		51378.17	
Less: Excise Duty & Cess paid		4841.90		6132.87	
Net Sales		55760.60		45245.30	
Other Income	14	1746.14	57506.74	795.58	46040.88
Increase/(Decrease) in Stock	15		(713.00)		(683.14)
<b>TOTAL</b>			<b>56793.74</b>		<b>45357.74</b>
<b>EXPENDITURE</b>					
Material, Manufacturing & Operating	16	44791.00		36801.76	
Payment to and Provisions for Employees	17	2665.63		2155.93	
Selling & Administration Expenses	18	2204.40	49661.03	3145.60	42103.30
<b>Profit before Depreciation, Interest &amp; Tax</b>			<b>7132.71</b>		<b>3254.44</b>
Financial Expenses	19		2562.34		3548.17
<b>Profit before Depreciation &amp; Tax</b>			<b>4570.37</b>		<b>(293.73)</b>
Depreciation	5		1406.62		940.57
<b>Profit before Taxation/previous year Expenses/ Income</b>			<b>3163.75</b>		<b>(1234.30)</b>
Preliminary/Deferred Revenue exp.	12		1053.35		799.97
<b>Profit before Tax</b>			<b>2110.40</b>		<b>(2034.27)</b>
Exceptional Items - (Gain)/Loss			(35.88)		0.00
<b>Profit before Tax</b>			<b>2146.28</b>		<b>(2034.27)</b>
Provision for Income Tax (including Wealth Tax)			0.77		0.78
Provision for Fringe Benefit Tax			0.00		34.50
Deferred Tax (Ref. Note xviii Sch. 20)			556.74		(430.07)
<b>Profit After Tax</b>			<b>1588.77</b>		<b>(1639.48)</b>
Income Tax Paid for earlier years/Adjustments			18.73		0.00
Add/deduct prior year Expenses/(Income) (net)			792.59		706.42
<b>Profit available for appropriation</b>			<b>777.46</b>		<b>(2345.91)</b>
Balance of Profit/(Loss) for earlier years			(5655.77)		(3309.86)
Balance Carried To Balance Sheet			(4878.31)		(5655.77)
<b>Balance Carried To Balance Sheet</b>			<b>(4878.31)</b>		<b>(5655.77)</b>
Significant Accounting Policies and Notes on Accounts	20				
Earning per share - Basic (in Rs) Note No xix			4.35		(4.69)
Earning per share - Diluted (in Rs) Note No xix			4.35		(4.69)

For and on behalf of the Board

**(R. S. Jauhar)**

CEO & Executive Director

**(P. S. Jauhar)**

C O O & Executive Director

**(Gautam Mukherjee)**

President - Finance

**(Praveen Lakhera)**

Company Secretary & Head Legal

As per our report of even date attached

**For A.S.G & Associates**

Chartered Accountants

**Goel Garg & Co.**

Chartered Accountants

**A. K. Kalia & Associates**

Chartered Accountants

**(Amar Jeet Singh)**

Partner

**(Lalit Goel)**

Partner

**(Anil K. Kalia)**

Proprietor

Date : 8 July, 2010

Place : New Delhi

# Schedules

(Rs in lacs)

	As at 31.03.2010		As at 31.03.2009	
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
63886500 Equity Shares of Rs 10 each (previous year 63886500 shares)		6388.65		6388.65
350000 12.50% Optionally Convertible Cumulative Preference Shares of Rs 100 each (previous year 350000 shares)		350.00		350.00
		<b>6738.65</b>		<b>6738.65</b>
<b>ISSUED &amp; SUBSCRIBED</b>				
36566762 Equity Shares of Rs 10 each (previous year 36560237 shares)		3656.68		3656.02
350000 12.50% Optionally Convertible Cumulative Preference Shares of Rs 100 each (previous year 350000 shares)		350.00		350.00
		<b>4006.68</b>		<b>4006.02</b>
<b>PAID UP</b>				
36538572 Equity Shares of Rs 10 each (previous year 36532047 shares)	3653.86		3653.20	
350000 12.50% Optionally Convertible Cumulative Preference Shares of Rs 100 each (previous year 350000 shares)	350.00		350.00	
Add: Forfeited Shares	1.45		1.45	
	4005.31		4004.65	
Less: Calls in Arrears	1.71	4003.60	1.74	4002.91
		<b>4003.60</b>		<b>4002.91</b>
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Balance Sheet	67.55		67.55	
10% Fully Convertible Warrants forfeited	150.00		150.00	
Amalgamation Reserve	1481.46		1481.46	
Capital Redemption Reserve	50.00	1749.01	50.00	1749.01
<b>Share Premium</b>	12620.78	12620.78	12619.35	12619.35
<b>General Reserve</b>				
As per last Balance Sheet		3277.84		3277.84
Fully Convertible Warrants forfeited		96.71		96.71
Carried forward loss from merged companies		(9374.36)		(9374.36)
<b>TOTAL</b>		<b>8369.98</b>		<b>8368.55</b>
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
1. Working Capital Loans from Banks		615.42		1927.92
2. Term loan from Banks & Financial institutions		4099.68		4792.00
3. Term Loan from Clearwater Capital Partners India Pvt. Ltd.		4452.08		6904.17
Interest accrued & due		0.00		70.36
4. Others		78.57		127.53
<b>TOTAL</b>		<b>9245.75</b>		<b>13821.98</b>





**NOTES:**

**1. Working capital loans are secured by:**

- (a) First pari passu charge by way of hypothecation on the current assets of the company.
- (b) Second pari passu charge on the fixed assets and other moveable assets (other than current assets) on the Malanpur, (excluding one parabolic line of value not exceeding Rs 350 lacs) Chennai, Jamshedpur and Yamunanagar Plants.
- (c) Personal guarantees of Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

**2. Term Loans are secured by:**

**Clearwater Capital Partners India Pvt. Limited:**

- (I) Term Loan of Rs 8100 lacs -Current outstanding Rs 4152.08 lacs
  - (a) First pari passu charge on the fixed assets and other movable assets (other than current assets) of the Malanpur, Yamunanagar and Jamshedpur Plants.
  - (b) Second pari passu charge to be created on the fixed assets and other movable assets (other than current assets) of the Chennai Plant.
  - (c) Second pari passu charge by way of hypothecation on the current assets of the company.
  - (d) Personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.
- (II) Term Loan of Rs 800 lacs - Current outstanding Rs 300 lacs
  - (a) First pari passu charge to be created on the fixed assets and other movable assets (other than current assets) of the Chennai Plant.
  - (b) Second pari passu charge on the fixed assets and other movable assets (other than current assets) of the Malanpur, (excluding one parabolic line of value not exceeding Rs 350 lacs) Yamunanagar and Jamshedpur Plants.
  - (c) Second pari passu charge by way of hypothecation on the current assets of the company.
  - (d) Personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

**ICICI Bank Ltd - Current outstanding Rs 1973.68 lacs**

- (a) First pari passu charge on the fixed assets and other movable assets (other than current assets) of the Malanpur (excluding one parabolic line of value not exceeding Rs 350 lacs), Yamunanagar and Jamshedpur Plants.
- (b) Second pari passu charge on the fixed assets and other movable assets (other than current assets) of the Chennai Plant.
- (c) Second pari passu charge by way of hypothecation on the current assets of the company.
- (d) Personal guarantees of Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

**IFCI Limited - Current outstanding Rs 2126 lacs**

- (a) First pari passu charge on the fixed assets and moveable assets (other than current assets) of the Chennai Plant.
- (b) Second pari passu charge created or to be created on the fixed assets and other movable assets (other than current assets) of the Malanpur, (excluding one parabolic line of value not exceeding Rs 350 lacs) Yamunanagar and Jamshedpur Plants.
- (c) Second pari passu charge by way of hypothecation on the current assets of the company.
- (d) Personal guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director.

**3. Others:**

- (a) H.P.Finance of Rs 78.57 lacs (previous year Rs 127.53 lacs) is secured by hypothecation of specific assets.

**4. Term Loans due within one year Rs 2954.65 lacs (previous year Rs 3441.82 lacs)**

(Rs in lacs)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
Interest Free Sales Tax Loan	1954.80	1914.34
Tata Capital Ltd.	295.13	381.82
<b>TOTAL</b>	<b>2249.93</b>	<b>2296.16</b>

SCHEDULE - 5 FIXED ASSET	(Rs in lacs)													
	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 31.03.2009	Additions For the year	Deductions For the year	As at 31.03.2010	Up to 31.03.2009	Depreciation For the year	UP TO 31.03.2010	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010		
Particulars	31.03.2009	For the year	For the year	31.03.2010	31.03.2009	For the year	31.03.2010	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010		
Goodwill	921.02	0.00	0.00	921.02	637.21	94.60	731.81	189.21	283.81	189.21	283.81	283.81		
Land	622.71	115.33	0.00	738.04	0.00	0.00	0.00	738.04	622.71	738.04	622.71	622.71		
Building	2112.49	1250.21	0.00	3362.70	776.26	59.92	836.18	2526.53	1336.22	2526.53	1336.22	1336.22		
Plant & Machinery	14150.51	4439.79	74.28	18516.02	7171.54	1383.05	8499.98	10016.04	6978.97	10016.04	6978.97	6978.97		
Furniture & Fixtures	124.32	4.64	0.00	128.96	75.55	6.54	74.02	54.94	48.77	54.94	48.77	48.77		
Vehicles	372.99	24.98	15.07	382.90	208.30	33.13	215.82	167.09	164.69	167.09	164.69	164.69		
Office Equipment	274.12	17.31	0.07	291.36	128.45	14.84	127.50	163.86	145.67	163.86	145.67	145.67		
Software	0.00	214.74	0.00	214.74	0.00	42.95	42.95	171.79	0.00	171.79	0.00	0.00		
Computer	336.07	18.66	2.64	352.09	263.33	26.99	274.86	77.22	72.74	77.22	72.74	72.74		
<b>TOTAL</b>	<b>18914.23</b>	<b>6085.66</b>	<b>92.06</b>	<b>24907.83</b>	<b>9260.64</b>	<b>1662.02</b>	<b>10803.11</b>	<b>14104.72</b>	<b>9653.58</b>	<b>14104.72</b>	<b>9653.58</b>	<b>9653.58</b>		
Capital Work in Progress								2149.76	5599.00					
<b>Current Year Total</b>	<b>18914.23</b>	<b>6085.66</b>	<b>92.06</b>	<b>24907.83</b>	<b>9260.64</b>	<b>1662.02</b>	<b>10803.11</b>	<b>16254.48</b>	<b>15252.58</b>	<b>16254.48</b>	<b>15252.58</b>	<b>15252.58</b>		
Less: Depreciation transferred to Sample development						255.40								
	18,914.23	6,085.66	92.06	24,907.83	9,260.64	1,406.62	10,803.11	16,254.48	15,252.58	16,254.48	15,252.58	15,252.58		
<b>Previous Year</b>	<b>17827.34</b>	<b>1238.62</b>	<b>151.74</b>	<b>18914.22</b>	<b>8249.62</b>	<b>1056.86</b>	<b>9260.64</b>	<b>9653.58</b>	<b>9577.72</b>	<b>9653.58</b>	<b>9577.72</b>	<b>9577.72</b>		

**Note:** Capital Work in Progress includes capital advances.

Out of the total depreciation provided during the year amount of Rs 255.40 lacs (previous year Rs 116.29 lacs) being the proportionate amount attributable to the sample development activities has been considered as deferred revenue expenses

Gross Block & Net Block includes Rs 42.34lacs and Rs 31.58 lacs respectively for assets acquired on hire purchase.



(Rs in lacs)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS (AT COST)</b>		
<b>Un-quoted Investments</b>		
(a) 5249920 equity shares of NHK Spring India Ltd. of Rs. 10 each (previous year 5249920 equity shares of Rs 10 each) at Cost	525.00	525.00
(b) Investment in 100% Subsidiary 1999900 shares (previous year 1999900 shares) equity shares of Rs 10 each of Jai Suspension Systems Limited at Cost	196.99	196.99
<b>TOTAL</b>	<b>721.99</b>	<b>721.99</b>
<b>Note:</b> 50020 shares purchased @ Rs 4 per share & 1949880 shares purchased @ Rs 10 each)		
<b>SCHEDULE - 7 INVENTORIES (as certified by the Management)</b>		
<b>CURRENT ASSETS</b>		
Goods in Transit	773.18	281.78
Finished Goods	897.89	838.59
Work in process	2063.25	2833.51
Raw Material	1866.05	991.19
Stores including Components and Spares	1180.41	893.63
Scrap	35.98	38.02
<b>SUB TOTAL</b>	<b>6816.76</b>	<b>5876.72</b>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS: Unsecured</b>		
(Unsecured-considered good)		
(a) Debts outstanding for a period exceeding 6 months Less: Written off during the year	389.75	1498.60 432.26
(b) Other Debts	4937.74	1066.34
<b>SUB TOTAL</b>	<b>5327.49</b>	<b>6463.53</b>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	5.52	9.32
Balance with Scheduled Banks in:		
(i) Current Account	125.36	404.14
(ii) Fixed Deposits & Margin Money	1336.96	887.31
<b>TOTAL</b>	<b>1467.84</b>	<b>1300.77</b>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Advance recoverable in cash or in kind or value to be received/or to be adjusted	1328.43	660.64
Deposits with Excise Authorities	469.17	341.26
Security Deposits	148.48	168.97
Advance Income Tax-net (including fringe benefit tax)	347.47	370.52
Loan to Jai Suspension Systems Ltd (wholly owned subsidiary company)	0.00	207.35
<b>TOTAL</b>	<b>2293.55</b>	<b>1748.74</b>
<b>TOTAL (Current Assets)</b>	<b>15905.64</b>	<b>15389.76</b>

## JAMNA AUTO INDUSTRIES LTD

(Rs in lacs)

	As at 31.03.2010		As at 31.03.2009	
<b>SCHEDULE - 11</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors		16181.08		10568.16
Other Liabilities		1257.10		1650.43
<b>PROVISIONS</b>				
Taxation		17.08		17.08
Fringe Benefit Tax		0.00		12.71
Wealth Tax		0.77		0.78
Gratuity		89.24		135.23
Leave encashment		88.13		73.04
<b>TOTAL</b>		<b>17633.40</b>		<b>12457.44</b>
<b>SCHEDULE - 12</b>				
<b>DEFERRED REVENUE EXPENDITURE</b>				
Opening Balance	2339.95		1936.04	
Add:Addition during the year	1425.40	3765.35	1203.89	3139.93
Less:Written off during the year	1053.35	1053.35	799.97	799.97
Closing Balance		<b>2712.00</b>		<b>2339.95</b>



(Rs in lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
<b>SCHEDULE - 13</b>				
<b>Sales</b>				
Domestic	60064.45		51067.21	
Export	538.05		310.96	
Total Sales	60602.50		51378.17	
Less:Excise Duty	4841.90	55760.60	6132.87	45245.30
<b>TOTAL</b>		<b>55760.60</b>		<b>45245.30</b>
<b>SCHEDULE-14</b>				
<b>OTHER INCOME</b>				
Interest Income		141.82		54.80
Miscellaneous income*		1134.89		552.05
Exchange Fluctuation		1.22		167.06
Export Incentives		1.42		5.17
Sale Scrap Non-Operational		7.13		11.16
Profit on sale of Assets		0.15		5.34
Dividend Income		299.99		0.00
Job Charges		159.52		0.00
<b>TOTAL</b>		<b>1746.14</b>		<b>795.58</b>
<b>SCHEDULE - 15</b>				
<b>INCREASE/DECREASE IN STOCK</b>				
<b>CLOSING STOCK</b>				
Finished Goods	897.89		838.59	
Work in Process	2063.25		2833.51	
Scrap	35.98	2997.12	38.02	3710.12
<b>LESS : OPENING STOCK</b>				
Finished Goods	838.59		792.08	
Work in Process	2833.51		3533.37	
Scrap	38.02	3710.12	67.81	4393.26
<b>Increase/(Decrease)</b>		<b>(713.00)</b>		<b>(683.14)</b>
<b>SCHEDULE - 16</b>				
<b>MATERIAL, MANUFACTURING &amp; OPERATING EXPENSES</b>				
<b>(A) Raw Material Consumption</b>				
Opening Stock	991.19		1585.27	
Add:Purchase	38217.09		30198.80	
	39208.28		31784.07	
Less: Closing Stock	1866.05	37342.23	991.19	30792.88
<b>(B) Manufacturing Expenses</b>				
Stores, components & spares consumed	3865.62		3161.07	
Power & Fuel	3087.50		2246.65	
Machinery Repairs	386.87		456.46	
Job Charges	108.78	7448.77	144.70	6008.88
<b>TOTAL</b>		<b>44791.00</b>		<b>36801.76</b>

\*Miscellaneous income includes non compete fee of Rs 1000 lacs charged from 100% subsidiary i.e. Jai Suspension Systems Limited.

## JAMNA AUTO INDUSTRIES LTD

(Rs in lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
<b>SCHEDULE - 17</b>				
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>				
Salaries, Wages, Bonus and Gratuity		2387.94		1903.05
Contribution to Provident and other Funds		127.19		127.91
Employees Welfare Expenses		150.50		124.97
<b>TOTAL</b>		<b>2665.63</b>		<b>2155.93</b>
<b>SCHEDULE - 18</b>				
<b>SELLING AND ADMINISTRATIVE EXPENSES</b>				
<b>Selling and Distribution Expenses</b>				
Sales promotion and Advertisement	32.29		439.09	
Discount and Rebates	96.01		412.16	
Freight, forwarding and packing	1201.54	1329.84	875.30	1726.55
<b>Administrative and Other Expenses</b>				
Insurance	18.55		22.49	
Rent, Rates & Taxes	67.57		82.84	
Vehicle Running & Maintenance	18.91		13.64	
Building Repairs	18.20		14.47	
Repairs & Maintenance Others	73.18		68.69	
Travelling and Conveyance	148.73		155.69	
Postage, Telegram & Telephone Expenses	45.48		42.34	
Printing & Stationery	31.88		24.97	
Subscription	3.37		3.88	
Charity & Donation	5.90		1.12	
Professional Consultancy	270.92		236.71	
General Expenses	84.94		88.77	
Sundry Balances Written Off	26.28		175.88	
Out of Pocket Expenses	0.00		0.61	
Recruitment Expenses	1.00		0.00	
Internal Audit Fee	7.20		2.40	
Loss on Sale of Assets	23.48		8.21	
Bad Debts Written Off	0.00		432.26	
SAP Expenses	18.83	864.42	33.95	1408.91
Auditors Remuneration		10.14		10.14
<b>TOTAL</b>		<b>2204.40</b>		<b>3145.60</b>
<b>SCHEDULE - 19</b>				
<b>FINANCIAL EXPENSES</b>				
Interest on Term Loans		801.05		1024.14
Interest on Working Capital		705.18		1098.07
Bill Discounting Charges		357.76		642.70
Bank Charges		698.35		783.26
<b>TOTAL</b>		<b>2562.34</b>		<b>3548.17</b>



## SCHEDULE 20 - ACCOUNTING CONVENTIONS AND NOTES ON ACCOUNTS:

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### (A) BASIS OF ACCOUNTING:

The financial statements are prepared under the historical cost convention in accordance with applicable mandatory accounting standards and presentation requirements of the Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles are followed by the company.

#### (B) FIXED ASSETS:

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight and taxes. The capital expenditure is inclusive of direct expenses and proportionate indirect expenses attributable to the project and is inclusive of modification expenditure of plant and machinery. The expenses have been capitalised proportionately till the date of installation of plant and machinery and capital work in progress. Capital work in progress includes advances for capital equipments.

#### (C) DEPRECIATION:

Depreciation is provided on straight line method at the applicable rates prescribed in Schedule XIV of the Companies Act, 1956. Except for items for which 100% depreciation rates are applicable, depreciation on assets added/disposed of during the year is provided on pro rate basis with reference to the date of addition/disposal.

#### (D) BORROWING COST:

Borrowing cost attributable to acquisition, construction or production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalised as part of the cost of such assets. All other borrowing costs are charged to the revenue.

#### (E) INVESTMENTS:

All Investments are considered as long term and are stated at cost. Provision for permanent diminution in value, in the perceptions of the Management, will only be considered at the appropriate time.

#### (F) INVENTORIES:

Inventories are valued as under:

- a) Raw Material : At Weighted Average Cost  
(Including stores & components)
- b) Finished Goods : Valued at cost inclusive of manufacturing and other overhead or at realisable value whichever is lower.

c) Work in Progress : Valued at cost inclusive of manufacturing and other overhead or at realisable value whichever is lower.

d) Scrap : At Realisable Value

#### (G) FOREIGN CURRENCY TRANSACTION:

Foreign currency transactions are converted into Indian rupees at the rate of exchange prevailing on the date of the transaction. All exchange differences in respect of the foreign currency transactions are dealt with in the Profit & Loss Account. All foreign currency assets and liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date and difference is dealt with the Profit & Loss Account. All liabilities in foreign currency, for which forward cover has been taken, have been stated at the forward value i.e. the value at which the liability will be settled in future.

#### (H) EMPLOYEES RETIREMENT BENEFITS:

Contribution made towards Provident Fund (under the Employees Provident Fund and Miscellaneous Provisions Act, 1952) is charged to the Profit & Loss Account.

Gratuity Liability is charged to the Profit & Loss Account on the basis of actuarial valuation carried out by an approved Actuary as on 1st March of each Accounting Year.

Provision is made in Accounts for unutilized leaves due to the employees at the year end as per the leave encashment policy of the company.

#### (I) EXCISE DUTY:

Excise Duty is accounted for when paid on the clearance of goods from bonded premises but is accounted for on accrual basis. Accordingly, provision for excise duty is made in the accounts for goods manufactured and lying in the bonded warehouse within the factory.

#### (J) REVENUE RECOGNITION:

Sale of Goods is recognised at the point of dispatch of finished goods to the customers. All expenses and revenue are accounted for on accrual basis. All export benefits are accounted for on accrual basis. Sale is accounted for net of returns. Returns are accounted for on receipt of the rejected material. Services include excise duty. Price escalation claims from customers and discounts from suppliers are accounted for in the year under audit only. Leave Travel Assistance to employees are accounted on payment basis.

## (K) LEASE:

- a) Finance Lease:  
Finance lease, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased assets to the company are capitalized at the fair market value. Lease payments are apportioned between the finance charges and reduction of lease liabilities so as to reflect a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Profit & Loss account.
- b) Operating Lease:  
Operating lease payments are recognized as an expense in the Profit & Loss account.

## (L) RESEARCH & DEVELOPMENT:

Expenditures of capital nature are debited to the respective Fixed Assets and depreciation at applicable rate and revenue expenditures are charged to the Profit & Loss Account.

## (M) MISCELLANEOUS EXPENDITURE:

The cost of development of new samples and other Deferred Revenue Expenditures are amortised over a period of five years.

The amount of deferred revenue expenditure recognized on account of Present Value of Interest differential due to resetting of interest rates in terms of restructuring package approved by IFCI Limited shall be written off and charged to the Profit & Loss account to the extent of 6.25% p.a., as the same shall be amortized over a period of 16 years i.e. the total number of years stipulated by IFCI Limited for payment of Present Value of interest differential.

## (N) TAXATION:

- i) Provision for current tax is made in accordance with and at the rates specified under the Income Tax Act, 1961 as amended.
- ii) In accordance with Accounting Standard 22 - 'Accounting for taxes on Income', issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and law that have been enacted or substantively enacted as on the balance sheet date.

Deferred tax assets arising from the timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future.

Net outstanding balance in deferred tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

## (O) IMPAIRMENT OF ASSETS

The carrying amount of assets, other than inventories, is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

An impairment loss is recognized whenever the carrying of an asset or its cash generating units exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and the value in use which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognized in compliance with Accounting Standard-28.

An impairment loss is reversed if there has been a charge in the estimates used to determine the recoverable amount and recognized in compliance with Accounting Standard-28.

## (P) INTANGIBLE ASSETS (GOODWILL/SOFTWARE)

Acquisition cost of Goodwill and software is being amortised over a period of five years.

## (Q) EXPANSION PROJECT EXPENSES

All items of direct expenditures in relation to the expansion project being implemented by the company are treated as preoperative expenditure pending capitalization. Such expenditures are capitalized to various assets in the year of the commencement of the production of the expansion project. Depreciation on assets put to use for expansion as also on capitalized assets is charged in the year of commencement of commercial production.

## 2. NOTES TO ACCOUNTS:

- i. Contingent Liabilities not provided for in respect of:

	(Rs in lacs)	
	As at 31.03.2010	As at 31.03.2009
(a) Demands against the company not acknowledged as debts.	92.56	97.10
(b) Claim pending against the company not acknowledged as debts.	55.19	0.70
(c) Import machinery under EPCG Scheme	280.58	258.84
(d) Bank Guarantees	6.50	16.34

- ii. Capital commitments outstanding (net of advances) and not provided for Rs 299.38 lacs (previous year Rs 1682.31 lacs).





iii. Managerial Remuneration

	(Rs in lacs)	
	For the year ended on	
	31.03.2010	31.03.2009
(i) Remuneration	168.35	172.42
(ii) Provident Fund	13.05	12.47
(iii) Perquisites	4.21	0.48

iv. Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which came into force with effect from October 2, 2006. As per the Act, the company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The information related to their dues / overdue has been furnished by the company for those parties from whom the data is received towards the same. The total liability of interest is Rs 0.16 lacs on a liability of Rs 21.82 lacs.

v. Fixed Deposit Receipts with Banks are pledged against guarantees and other facilities availed of by the company.

vi. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business.

vii. The company has charged depreciation on Plant and Machinery on Double Shift basis for the period 01.04.2009 to 30.09.2009 and on Triple Shift basis for the period 01.10.2009 to 31.03.2010. Depreciation on other fixed assets is provided at the rate provided by Schedule XIV to the Companies Act, 1956 under the straight line method.

viii. Balances in debtors are subject to confirmation.

ix. Deferred revenue expenditure has been amortised over a period of five years. A sum of Rs 1053.35 lacs has been amortised for the current year.

x. The company operates in a single business segment i.e. manufacturing of Parabolic/Tapered leaf Spring and has its production facilities and all other assets in India. During the year Domestic Segment revenue is Rs 60064.45 lacs (previous year Rs 51067.21 lacs) and International Segment Revenue is Rs 538.05 lacs (previous year Rs 310.96 lacs).

xi. Gratuity liability is provided on the basis of actuarial valuation.

xii. The company has allocated and apportioned during the year a sum of Rs 1425.40 lacs including depreciation of Rs 255.40 lacs (previous year Rs 1203.89 lacs including depreciation of Rs 116.29

lacs) being expenditure incurred towards Sample Development, based on the technical and costing estimates/ reports. The Management is of the view that the company shall be deriving future benefits on this account and hence such expenditure has been considered as Deferred Revenue Expenditure.

xii. In compliance to accounting of various exchange contracts under Accounting Standards-30 and clarification issued by the Institute of Chartered Accountants of India from time to time the Mark to Market loss of Rs 199.74 lacs against forward contracts taken by the company has been provided as foreign exchange loss in the Profit & Loss Account.

xiv. Debtors includes debts of wholly owned subsidiary Jai Suspension Systems Limited to the extent of Rs 1122.76 lacs.

xv. The company has changed method of charging depreciation on Fixed Assets other than Building and Plant & machinery installed at its Chennai plant with effect from 1st April 2009. An amount of Rs. 58.89 lacs has arisen as surplus on account of retrospective computation of depreciation in Straight Line Method. This surplus is accounted and disclosed under exceptional item in the Profit & Loss account.

xvi. As required by Accounting Standard - 28 on Impairment of Assets, the company has reviewed potential generation of economic benefits from fixed assets. Accordingly, the provision for impairment loss amounting to Rs.17.01 lacs (Previous year 8.06 lacs) has been made during the year.

xvii. a) Transaction with the wholly owned subsidiary company Rs 7065.00 lacs. Amount receivable Rs 1122.76 lacs.

b) Related party disclosures:

Names of related parties and nature of related party relationships are as under:

**Companies in which the company has substantial interest (i.e. more than 20% in voting power)**

Jai Suspension Systems Limited

**Key Management Personnel and their relatives:**

- (1) Mr. B. S. Jauhar (Chairman)
- (2) Mr. R. S. Jauhar (CEO & Executive Director)
- (3) Mr. P. S. Jauhar (COO & Executive Director)
- (4) Mr. S. P. S. Kohli (President & Executive Director)
- (5) Mrs. Khem Kaur (W/o Mr. B. S. Jauhar)
- (6) Mrs. Sonia Jauhar (W/o Mr. R. S. Jauhar)
- (7) Mrs. Kiran Chadha (Relative of Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar)
- (8) Mrs. Inder Beer Kaur (W/o Mr. S. P. S. Kohli)

## JAMNA AUTO INDUSTRIES LTD

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

- |                                     |  |
|-------------------------------------|--|
| (1) Jamna Agro Implements Pvt. Ltd. | (Mrs. Khem Kaur / Mr. R. S. Jauhar / Mr. P.S. Jauhar / Mr. B. S. Jauhar) |
| (2) S.W. Farms Pvt. Ltd.            | (Mrs. Sonia Jauhar / Mr. R. S. Jauhar)                                   |
| (3) MAP Auto Ltd.                   | (Mr. B. S. Jauhar / Mr. R. S. Jauhar/ Mr. P. S. Jauhar)                  |
| (4) Mrs. Inder Beer Kaur            | ( Mr. S. P. S. Kohli)  |

### Transactions with key management personnel / relatives of key management personnel

	Name	Nature of transaction	Volume of Transactions during the year ended on 31.03.2010 (Rs in lacs)	Receivable / (Payable) as at 31.03.2010 (Rs in lacs)
(1)	Mr. R. S. Jauhar	Remuneration	83.52	(4.02)
(2)	Mr. P. S. Jauhar	Remuneration	83.20	0.00
(3)	Jamna Agro Implements Pvt. Ltd.	Job Work	58.15	(23.77)
(4)	S.W. Farms Pvt. Ltd.	Rent	12.00	0.00
(5)	MAP Auto Ltd.	Rent	2.53	0.12
(6)	Winthrop Marketing	Commission	12.24	0.99
(7)	Mrs. Kiran Chadha	Remuneration	18.00	0.00
(8)	Mrs. Sonia Jauhar	Rent	7.20	0.00
(9)	Mrs. Inder Beer Kaur	Rent	8.40	(0.52)
(10)	Jai Suspension Systems Ltd	Wholly owned subsidiary	7065.00	1122.76
(11)	Mr. S. P. S. Kohli	Remuneration	18.89	0.00
(12)	MAP Auto Ltd.	Logistic Transactions	906.02	(172.99)

xviii. The major components of deferred tax liabilities as on 31.03.2010 and 31.03.2009 are as under:

Particulars	(Rs in lacs)		
	As at 31.03.2010	For the year ended 31.03.2010	As at 31.03.2009
Deferred Tax Liability is on account of the following:			
Depreciation claimed	1949.43	273.56	1675.87
Deferred Revenue Expenditure	921.81	126.46	795.35
Less :Deferred Tax Assets			
Carry forward Losses	3901.49	(156.72)	4058.21
Other timing difference			
<b>TOTAL</b>	<b>(1030.25)</b>	<b>556.74</b>	<b>(1586.99)</b>



xix. Earning per share (EPS):

	Year ended 31.03.2010	Year ended 31.03.2009
		(Rs in lacs)
(a) Calculation of Weighted Average Number of Equity Shares of Rs 10 each		
Number of Shares at the beginning of the period	36532047	33875792
Number of Shares at the close of the period	36538572	36532047
Weighted Average Number of Equity Shares During the period	36522977	34990863
(b) Net Profit for the period attributable to Equity shares (Rupees in lacs)	1588.77	(1639.49)
(c) Basic Earnings (in Rupees) per share	4.35	(4.69)
(d) Diluted Earning (for Rupees) per share	4.35	(4.69)

xx. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

**xxi. ADDITIONAL INFORMATION PURSUANT TO PROVISION OF SCHEDULE VI OF THE COMPANIES ACT, 1956**

(i) Particulars in respect of capacity, Goods manufactured, turnover and stocks (As certified by the Management)

**a) Capacity Installed**

	As on 31.03.2010	As on 31.03.2009
1. Auto Parabolic /Tapered Leaf Spring/Loose Leaves (MT)	144000	99000
2. Railway (Spare & Loose Leaves)	2400	2400
3. Agriculture Implements	1000	1000

**b) Production, Turnover & Stock (As Certified By The Management)**

	Unit	Opening Stock		Production	Sales		Closing Stock	
		Qty.	Amount	Qty.	Qty.	Amount	Qty.	Amount
Spring & Spring Leaves	MT	1396.681 (1228.988)	838.59 (792.08)	106768.559 (68011.614)	106467.310 (67843.921)	60602.50 (51378.17)	1697.930 (1396.681)	897.89 (838.59)

**c) Particulars Of Raw Material Consumed**

	UNIT	QUANTITY	VALUE (Rs)
Spring Steel Flats	M.T	111660.622 (73481.893)	37342.23 (30792.88)

## JAMNA AUTO INDUSTRIES LTD

ii)	Value of Imported and Indigenous Raw Material, Stores, Spares & Components consumed	Raw Material	Percentage	Stores, Spares & Components	Percentage
	Imported (Rs)	4582.83 (8700.74)	12.27 (28.25)	23.70 (304.77)	0.61 (9.64)
	Indigenous (Rs)	32759.40 (22092.14)	87.73 (71.75)	3841.92 (2856.30)	99.39 (90.36)
iii)	Value of Import on CIF Basis (Rs)	4595.63 (9976.88)	305.72 (288.34)		Capital Goods
iv)	Earning in Foreign Exchange from Export of Goods (calculated on FOB Basis) - (Rs)	519.85 (256.14)			
v)	Expenditure in Foreign Currency (On cash basis) (Rs) Traveling	35.14 (54.46)			
vi)	Others	113.34 (36.19)			

The figures in brackets pertain to previous year.

For and on behalf of the Board

**(R. S. Jauhar)**  
CEO & Executive Director

**(P. S. Jauhar)**  
C O O & Executive Director

**(Gautam Mukherjee)**  
President - Finance

**(Praveen Lakhera)**  
Company Secretary & Head Legal

As per our report of even date attached

**For A.S.G & Associates**  
Chartered Accountants

**Goel Garg & Co.**  
Chartered Accountants

**A. K. Kalia & Associates**  
Chartered Accountants

**(Amar Jeet Singh)**  
Partner

**(Lalit Goel)**  
Partner

**(Anil K. Kalia)**  
Proprietor

Date : 8 July, 2010

Place : New Delhi



# Cash Flow Statement

(Rs in lacs)

DESCRIPTION	Year ended 31.03.2010		Year ended 31.03.2009	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/(Loss) Before Tax &amp; Extra Ordinary Items</b>		<b>1846.30</b>		<b>(2034.28)</b>
Adjusted for:-				
Depreciation	1406.62		940.58	
Net loss/(Profit) on sale of Investment	0.00		0.00	
Net loss/( Profit) on sale of Assets	23.33		2.87	
Interest Paid	2562.34		3548.17	
Misc. expenditure written off	1053.35	5045.64	799.97	5291.59
Operating Profit before Working Capital Change		6891.94		3257.32
Adjusted for:-				
Inventories	(940.04)		1445.52	
Trade Receivables	1136.04		1312.77	
Other Receivables	(544.81)		358.43	
Trade Payables	5612.92		1823.63	
Other Payables	(436.95)	4827.16	(558.82)	4381.52
<b>Cash Generated from Operations</b>		<b>11719.10</b>		<b>7638.84</b>
Less : Interest Paid	2562.34		3548.17	
Provision for Tax	0.77		35.28	
Income Tax Paid	18.73		0.00	
Previous Year Expenses	792.59	3374.43	706.42	4289.87
<b>Net Cash Generated from Operations</b>		<b>8344.67</b>		<b>3348.97</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions in Fixed Assets		(2636.42)		(3154.26)
Deferred Revenue Expenditure		(1425.40)		(1203.89)
Depreciation included in Deferred Revenue		255.40		116.29
Disposal of Fixed Assets		(50.81)		103.03
Disposal of Investment		(0.00)		(194.99)
Dividend Received		299.99		0.00
<b>Net Cash Flow from Investing Activities</b>		<b>(3557.26)</b>		<b>(4333.82)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net Increase in Share Capital		0.68		265.69
Share Premium		1.44		1646.90
Change in other Reserves & Surplus		(0.00)		96.71
Net Increase in Borrowings		(4622.46)		(1458.92)
<b>Net Cash from Financing Activities</b>		<b>(4620.34)</b>		<b>550.38</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>		<b>167.07</b>		<b>(434.44)</b>
<b>Cash &amp; Cash Equivalents Closing Balance</b>	1467.84		1300.77	
<b>Cash &amp; Cash Equivalents Opening Balance</b>	1300.77	<b>167.07</b>	1735.21	<b>(434.44)</b>

**(R. S. Jauhar)**  
CEO & Executive Director

**(P. S. Jauhar)**  
COO & Executive Director

**(Gautam Mukherjee)**  
President - Finance

**(Praveen Lakhera)**  
Company Secretary & Head Legal

## AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Jamna Auto Industries Limited is derived from the audited financial statements for the year ended 31st March 2010 and found the same to be drawn in accordance with the requirements of the Clause 32 of the Listing Agreements with the Stock Exchanges.

**For A S G & Associates**  
Chartered Accountants

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

**For A. K. Kalia & Associates**  
Chartered Accountants

**(Amar Jeet Singh)**  
(Partner)

**(lalit Goel)**  
(Partner)

**(Anil K. Kalia)**  
(Proprietor)

Date : 8 July, 2010  
Place : New Delhi

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

### I REGISTRATION DETAILS

Registration Number	4 4 8 5	State Code	0 5
Balance Sheet Date	3 1	0 3	2 0 1 0
	Date	Month	Year

### II CAPITAL RAISED DURING THE YEAR (RS IN THOUSANDS)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	6 5

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RS IN THOUSANDS)

Total Liabilities	2 3 8 6 9 2 6	Total Assets	2 3 8 6 9 2 6
<b>Sources of Funds</b>			
Paid-up Capital	4 0 0 3 6 0	Reserves & Surplus	8 3 6 9 9 8
Secured Loans	9 2 4 5 7 5	Unsecured Loans	2 2 4 9 9 3
<b>Application of Funds</b>			
Net Fixed Assets	1 6 2 5 4 4 8	Investments	7 2 1 9 9
Net Current Assets	(1 7 2 7 7 8)	Misc. Expenditure	2 7 1 2 0 0
Accumulated Losses	4 8 7 8 3 1	Deferred Tax	1 0 3 0 2 5

### IV PERFORMANCE OF COMPANY (RS IN THOUSANDS)

Sales & Other Income	6 2 3 4 8 6 4	Total Expenditure	6 0 2 0 2 3 6
Profit Before Tax	2 1 1 0 4 0	Profit After Tax	1 5 8 8 7 7
Earning per Share (in Rs)	4 . 3 5	Dividend Rate (%)	Nil

### V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	:	7 3 2 0 . 0 0
Product Description	:	SPRING & LEAVES FOR SPRINGS OF IRON STEEL
Item Code No. (ITC Code)	:	8 7 0 8 . 0 0
Product Description	:	PARTS OF MOTORS VEHICLES

For and on behalf of the Board

**(R. S. Jauhar)**

CEO & Executive Director

**(P. S. Jauhar)**

C O O & Executive Director

**(Gautam Mukherjee)**

President - Finance

**(Praveen Lakhera)**

Company Secretary & Head Legal

As per our report of even date attached

**For A.S.G & Associates**

Chartered Accountants

**(Amar Jeet Singh)**

Partner

**Goel Garg & Co.**

Chartered Accountants

**(Lalit Goel)**

Partner

**A. K. Kalia & Associates**

Chartered Accountants

**(Anil K. Kalia)**

Proprietor

Date : 8 July, 2010

Place : New Delhi



## STATEMENT PURSUANT TO SEC. 212 OF THE COMPANIES ACT, 1956, RELATED TO SUBSIDIARY COMPANY

Name of Subsidiary	Jai Suspension Systems Ltd
1. Financial Year of the subsidiary ended on	31 March 2010
2. Shares of subsidiary held by the company on above date: (a) Number and face value (b) Extend of holding	1999900 equity shares of Rs 10 each (Previous year - 1999900 equity shares) 100 % (Previous year - 100 %)
3. Net aggregate amount of profits of the subsidiary for the above financial year of the subsidiary so far as they concern member of the company: (a) Dealt with in the accounts of the company for the period ended 31 March 2010 (b) Not dealt within the accounts of the company for the period ended 31 March 2010	Nil Rs 62371773
4. Net aggregate amount of profits for previous financial year of the subsidiary, since it become a subsidiary so far as they concern members of the company: (a) Dealt with in the accounts of the company for the period ended 31 March 2010 (b) Not dealt within the accounts of the company for the period ended 31 March 2010	Nil Rs 38517218

For and on behalf of the Board

**(R. S. Jauhar)**  
CEO & Executive Director

**(P. S. Jauhar)**  
COO & Executive Director

**(Gautam Mukherjee)**  
President - Finance

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

Date : 8 July, 2010

Place : New Delhi

## DIRECTORS' REPORT

*Dear Shareholders,*

It gives us great pleasure to present 9th Annual Report of the company to share with you key developments during the year ended on 31 March 2010:

### FINANCIAL RESULTS:

Particulars	(Rs in lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Sales	11370.21	2928.96
PBIDT	1174.17	489.68
Finance cost	82.06	6.07
PBDT /Cash Profit	1092.11	483.59
Depreciation & others	477.95	57.38
PBT	614.15	426.21
Provision for current tax	9.05	10.47
Provision for deferred tax	(14.29)	30.60
PAT	619.39	385.14
Previous year adjustment	(4.32)	(0.02)
Balance brought forward	385.17	---
Profit available for appropriation	1008.88	385.17
Appropriations:		
Interim dividend	299.99	---
Dividend Distribution tax	50.98	---
Transfer to General Reserve	184.36	---
Balance carried to Balance Sheet	473.55	385.17

During the year under review the company has registered sales of Rs 11370 lacs and earned net profit of Rs 619 lacs. The company has planned to convert itself into a Limited Liability Partnership Firm. The holding company has also granted its approval for conversion of the company into a Limited Liability Partnership Firm with new minority partners. The holding company will be the major partner in LLP.

### DIVIDEND:

During the year under review the company has declared and paid an interim dividend at the rate of 150% on the paid up capital of the company.

### FIXED DEPOSIT:

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

### ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

The particulars as prescribed under Section 217 (1) (e) of the

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

### PARTICULARS OF EMPLOYEES:

Mr. B. S. Jauhar, Chairman and Managing Director falls under the purview of Section 217 (2A) of the Companies Act, 1956. During the year ended 31 March 2010 the company has paid Rs 86.56 lacs remuneration to Mr. B. S. Jauhar. However, as per the provisions of Section 219 (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all members of the company excluding the information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended. Any member interested in obtaining such information may write to the company at the Registered Office. The said information is also available for inspection at the Registered Office during working hours up to the date of Annual General Meeting.

### DIRECTORS:

In accordance with the applicable provisions, Mr. S. P. S. Kohli retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

### AUDITORS:

M/s K. Khanna & Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if, re-appointed. The report of the Auditors read with the notes on accounts being self-explanatory, needs no further clarification.

### DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- The Annual Accounts for the financial year ended 31 March 2010 are in conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India and no material departure from the same have been made;
- Such Accounting Policies have been selected and consistently applied and judgments and estimates made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year 31 March 2010 and of the profit or loss of the company for that period;
- Proper and sufficient care was taken for maintenance of adequate accounting records maintained in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting any form of fraud and other irregularities;





(d) The Annual Accounts for the financial year ended 31st March 2010 have been prepared on a going concern basis.

#### APPRECIATION:

We express our sincere appreciation and gratitude to all the employees, bankers and the holding company.

For and on behalf of the Board

Date : 1 July, 2010

Place : New Delhi

**(B. S. Jauhar)**

Chairman & Managing Director

## ANNEXURE "A" TO THE DIRECTORS' REPORT

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

### A CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

i) Your company is optimizing the production processes to reduce energy cost.

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

Your company is engaged in energy conservation on continuous basis.

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

i) Effective & lower energy consumption, less maintenance etc. It is, however, difficult to determine their impact on the cost of production.

d) Total energy consumption & energy consumption per unit of

production as per Form A of the Annexure II in respect of industries specified in the schedule thereto: Not Applicable.

### B. RESEARCH & DEVELOPMENT

(a) Specific areas in which R&D is carried out by the company: Nil

(b) Benefits derived as a result of R&D. The company is taking advantage of R & D activities carried on by the holding company.

(c) Future Plan of Action. No immediate future plans.

(d) Expenditure on R&D:

i) Capital/Deferred Revenue: Nil (Nil)

ii) Recurring: Nil (Nil)

iii) Total: Nil (Nil)

iv) Total R&D expenditure as percentage of Total Turnover: Nil (Nil)

### C. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

(a) Technology Absorption, adaptation and innovation

(i) Your company is engaged in various initiatives related to improvements in the processes.

(b) Benefits derived as a result of the above efforts. -----

(c) Technology imported (For the manufacture of Leaf Springs)

i) Year of import: Nil

ii) Has technology been fully absorbed: Not applicable.

### D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Foreign exchange used: Nil (Nil)

Foreign exchange earned: Nil (Nil)

## AUDITORS' REPORT

TO THE MEMBERS OF

**JAI SUSPENSION SYSTEMS LIMITED**

1. We have audited the Balance Sheet of **JAI SUSPENSION SYSTEMS LIMITED** as at 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibilities 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 auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (hereinafter called "The Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we consider appropriate, we enclose in the Annexure, a Statement on the matters specified in the paragraph 4 & 5 of the said Order.
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, Proper books of accounts, as required by law have been kept by the company so far appears from our examination of those Books;
    - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with books of accounts;
    - (d) In our opinion and read with clause 1 (c) of schedule 19 regarding change in accounting policy relating to treatment of non compete fees as deferred revenue expenses, the Balance Sheet, Profit & Loss account and Cash Flow Statement of the company referred to in this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956;
    - (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 on being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
    - (f) 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 significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.
      - ◆ In the case of Balance Sheet of the state of affairs of the company as at 31st March 2010 and
      - ◆ In the case of Profit & Loss Account of the Profit of the company for the year ended on that date.
      - ◆ In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, Proper books of accounts, as required by law have been kept by the company so far appears from our examination of those Books;
    - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with books of accounts;
    - (d) In our opinion and read with clause 1 (c) of schedule 19 regarding change in accounting policy relating to treatment of non compete fees as deferred revenue expenses, the Balance Sheet, Profit & Loss account and Cash Flow Statement of the company referred to in this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956;
    - (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 on being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
    - (f) 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 significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.
      - ◆ In the case of Balance Sheet of the state of affairs of the company as at 31st March 2010 and
      - ◆ In the case of Profit & Loss Account of the Profit of the company for the year ended on that date.
      - ◆ In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

In terms of our report of even date  
**for K. Khanna & Company**  
Chartered Accountants

Dated : 1 July, 2010

Place : New Delhi

**(Kamal Khanna)**

Proprietor

M. No.: 86600



## ANNEXURE TO AUDITORS' REPORT

### REFERRED TO IN PARAGRAPH "3" OF THE AUDITORS' REPORT TO THE MEMBERS OF JAI SUSPENSION SYSTEMS LIMITED" ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2010.

- (i) (a) The company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situations thereof.
- (b) The Fixed Assets have been physically verified by the management according to a regular programme of periodical verification which in our opinion is reasonable having regard to the size of the company and nature of fixed assets. The discrepancies observed on such verification were not material.
- (c) During the year under report, no substantial part of the fixed assets has been disposed off.
- (ii) (a) As informed, the inventory of the company at all its locations, except stocks in transit have been physically verified by the management at the end of the year or after the year-end. In our opinion, the frequency of such verification is reasonable having regard to the nature of business and particular circumstances.
- (b) In our opinion the company has maintained proper records of inventory showing full particulars including quantity details and situations thereof. The records are updated as and when the physical verification has been carried out. The discrepancies observed on such physical verification as compared to book records were not material.
- (iii) (a) According to information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or parties covered under register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (iii) (b) to (d) of the order are not applicable to the company.
- (e) As informed to us, the company has not taken any unsecured loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. The maximum amount involved during the year was Nil and the year end balance of loan taken from such parties was Nil.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions for such loan are not prima facie prejudicial to the interest of the company.
- (g) In our opinion and according to the information and explanations given to us in respect of loans taken, the repayment of principal amount is as stipulated and payment of interest is also regular.
- (iv) In our opinion and according to the information and explanation provided to us, it appears that there are adequate internal control procedures commensurate with the size and nature of business for the purchase of raw materials and components, plant & machinery, equipment, other assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on audit procedures applied by us and according to information and explanation given to us, we are of the opinion that the particulars of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation provided to us, the company has not accepted any deposits to which provision of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under are applicable.
- (vii) In our opinion and according to the information and explanation provided to us, the company has an internal audit system commensurate with the size & nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company in respect of the products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not, nor we are required, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to information and explanation given to us and as per records of the company, the company is generally regular in depositing the undisputed statutory dues with appropriate authorities like Provident Fund, Income Tax, Sales Tax, Cess and Service tax etc with the appropriate authorities and there were no arrears of such dues at the year end which have remained outstanding for a period of six months from the date they became payable.

- (b) According to information and explanation given to us and as per records of the company, there are no disputed Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and Service Tax outstanding as at 31 March, 2010.
- (x) There are no accumulated losses of the company at the end of the financial year. The company has not incurred any cash loss during the year or in the financial year immediately preceding the year under report.
- (xi) The company has not defaulted in repayment of dues to financial institution or bank or debenture-holders during the year.
- (xii) According to the information given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, clause (xiii) of Para 4 of The Order is not applicable.
- (xiv) In our opinion, the company is not dealing in or trading in shares, debentures or other investments. Accordingly, clause (xiv) of Para 4 of The Order is not applicable.
- (xv) The company has not given any guarantee for loans taken by others from Banks or Financial Institutions; hence clause (xv) of Para 4 of The Order is not applicable.
- (xvi) According to the information and explanations given to us and on the basis of an overall examination of the books and records of the company, in our opinion, no term loans have been received by the company during the year.
- (xvii) According to the information and explanations given to us and on the basis of an overall examination of the books and records of the company, in our opinion, there are no funds raised on a short-term basis, which have been used for long-term investments and vice-versa.
- (xviii) The company during the year has not made any preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The company during the year has not issued any debentures, therefore, clause 4 (xix) of the order regarding creation of any security is not applicable to the company.
- (xx) The company has not raised any money by way of public issues during the year; hence clause (xx) of Para 4 of The Order is not applicable.
- (xxi) According to the information given to us, no fraud on or by the company has been noticed or reported during the year.

In terms of our report of even date  
**for K. Khanna & Company**  
Chartered Accountants

Place : New Delhi  
Dated : 1 July, 2010

**(Kamal Khanna)**  
Proprietor



# Balance Sheet AS AT 31st MARCH, 2010

(Rupees)

DESCRIPTION	Schedule No.	As at 31.03.2010		As at 31.03.2009	
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUND</b>					
Share Capital	1	19999000.00		19999000.00	
Reserves & Surplus	2	65792246.74	85791246.74	38517218.29	58516218.29
<b>LOANS FUNDS</b>					
Secured Loans	3	38613713.00		0.00	
Unsecured Loans	4	0.00	38613713.00	20734948.00	20734948.00
Deferred Tax Liabilities (Refer Note No 11 of Schedule 18)			1631086.00		3060674.00
<b>TOTAL</b>			<b>126036045.74</b>		<b>82311840.29</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5	52998078.44		44690744.68	
Less: Depreciation		3463868.81		668390.43	
Net Block		49534209.63		44022354.25	
Capital Work-in-Progress		391560.00	49925769.63	106946.00	44129300.25
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>					
<b>INVENTORIES</b>	6	109551095.13		59137106.53	
<b>SUNDRY DEBTORS</b>	7	114685605.39		111585114.17	
<b>CASH AND BANK BALANCES</b>	8	19930103.69		9520820.34	
<b>LOANS AND ADVANCES</b>	9	36177234.66		11918322.38	
<b>Total Current Assets</b>		280344038.87		192161363.42	
<b>Less: Current Liabilities &amp; Provisions</b>	10	204233762.77		198978823.38	
<b>NET CURRENT ASSETS</b>			76110276.10		6817459.96
<b>DEFERRED REVENUE &amp; PRELIMINARY EXPENDITURE</b>	11		0.00		45000000.00
<b>TOTAL</b>			<b>126036045.74</b>		<b>82311840.29</b>
Accounting Policies,					
Notes on Accounts & Contingent Liabilities	19				

As per our report of even date

For and on behalf of the Board of Directors

**For K. Khanna & Company**

Chartered Accountants

**(Kamal Khanna)**

Proprietor

**(B.S. Jauhar)**

Chairman & Managing Director

**(R. S. Jauhar)**

Director

**(H.S. Gujral)**

Director

Date : 1 July, 2010

Place : New Delhi

## Profit and Loss Account FOR THE YEAR ENDED 31 MARCH, 2010

(Rupees)

DESCRIPTION	Schedule No.	Year ended 31.03.2010		Year ended 31.03.2009	
<b>INCOME</b>					
Sales	12	1137020645.05		292896592.93	
Other Income	13	892732.02	1137913377.07	148473.00	293045065.93
Increase/(Decrease) in Stock	14		30900799.24		45487624.66
<b>TOTAL</b>			<b>1168814176.31</b>		<b>338532690.59</b>
<b>EXPENDITURE</b>					
Purchase of Trading Goods & Expenses		23965128.64		23156280.24	
Material, Manufacturing and Operating Expenses	15	733392362.63		209721390.04	
Payment to and Provision for Employees	16	35841997.01		7673008.55	
Selling & Administration Expenses	17	258197122.23	1051396610.51	49013651.01	289564329.84
<b>Profit before Depreciation, Interest &amp; Tax</b>			<b>117417565.80</b>		<b>48968360.75</b>
Financial Expenses	18		8206348.26		607932.03
<b>Profit before Depreciation &amp; Tax</b>			<b>109211217.54</b>		<b>48360428.72</b>
Depreciation	5		2795478.10		668390.43
<b>Profit after Depreciation</b>			<b>106415739.45</b>		<b>47692038.29</b>
Preliminary/Deferred Revenue Expenses W/off.	11		45000000.00		5070280.00
<b>Profit before Tax</b>			<b>61415739.45</b>		<b>42621758.29</b>
Provision for Income Tax			10704800.00		4770000.00
MAT Credit Entitlement			9798927.00		4258138.00
Provision for Fringe Benefit Tax			0.00		535000.00
Provision for Deferred Tax			1429588.00		3060674.00
<b>Profit After Tax</b>			<b>61939454.45</b>		<b>38514222.29</b>
Add/Deduct Prior Year Expenses/(Income) (Net)			(432319.00)		(2996.00)
<b>Net Profit</b>			<b>62371773.45</b>		<b>38517218.29</b>
Balance of Profit/(Loss) Brought Forward from Previous Year			38517218.29		0.00
Profit Available for Appropriation			100888991.74		38517218.29
<b>Less: Appropriations</b>					
Interim Dividend		29998500.00		0.00	
Dividend Distribution Tax		5098245.00		0.00	
Transferred to General Reserve		18436814.98	53533559.98	0.00	0.00
Balance Carried To Balance Sheet			47355431.76		38517218.29

Significant Accounting Policies,  
Notes to Accounts & Contingent Liabilities 19

As per our report of even date

For and on behalf of the Board of Directors

**For K. Khanna & Company**

Chartered Accountants

**(Kamal Khanna)**

Proprietor

**(B.S. Jauhar)**

Chairman & Managing Director

**(R. S. Jauhar)**

Director

**(H.S. Gujral)**

Director

Date : 1 July, 2010

Place : New Delhi



# Schedules

(Rupees)

	As at 31.03.2010		As at 31.03.2009	
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
2000000 Equity Shares of Rs.10 each (Previous year 2000000 Equity Shares of Rs.10 each)		20000000.00		20000000.00
		<b>20000000.00</b>		<b>20000000.00</b>
<b>ISSUED &amp; SUBSCRIBED CAPITAL</b>				
1999900 Equity Shares of Rs.10 each fully paid up (Previous year 1999900 Equity Shares of Rs.10 each fully paid up)		19999000.00		19999000.00
		<b>19999000.00</b>		<b>19999000.00</b>
<b>PAID UP SHARE CAPITAL</b>				
1999900 Equity Shares of Rs.10 each fully paid up (Previous year 1999900 Equity Shares of Rs.10 each fully paid up)		19999000.00		19999000.00
		<b>19999000.00</b>		<b>19999000.00</b>
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
General Reserve	0.00		0.00	
Transfer from Profit & Loss Account	18436814.98	18436814.98	0.00	0.00
Profit & Loss Account		47355431.76		38517218.29
<b>TOTAL</b>		<b>65792246.74</b>		<b>38517218.29</b>
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
Cash Credit from Kotak Mahindra Bank Ltd (Secured by Hypothecation of All Current Assets and Movable Fixed Assets of the Company)		38613713.00		0.00
<b>TOTAL</b>		<b>38613713.00</b>		<b>0.00</b>
<b>SCHEDULE - 4</b>				
<b>UNSECURED LOANS</b>				
Jamna Auto Industries Ltd.		0.00		20734948.00
<b>TOTAL</b>		<b>0.00</b>		<b>20734948.00</b>

# JAI SUSPENSION SYSTEMS LTD

	SCHEDULE - 5 FIXED ASSETS										(Rupees)	
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2009	During the year		As at 31.03.2010	Upto 31.03.2009	For the Year	Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009		
	Additions	Deductions										
Land	6402433.98	1101275.00	0.00	7503708.98	0.00	0.00	0.00	0.00	7503708.98	6402433.98		
Building	15959330.08	1890228.00	0.00	17849558.08	207629.33	550130.23	0.00	757759.56	17091798.52	15751700.75		
Plant & Machinery	21505874.32	2810311.00	0.00	24316185.32	440502.55	2100926.49	0.00	2541429.04	21774756.28	21065371.77		
Furniture & Fixtures	499872.56	343963.50	0.00	843836.06	5988.75	43552.71	0.00	49541.46	794294.60	493883.81		
Vehicles	38870.00	1506093.00	0.00	1544963.00	1912.08	16399.65	0.00	18311.73	1526651.27	36957.92		
Office Equipemant	0.00	165074.00	0.00	165074.00	0.00	8321.63	0.00	8321.63	156752.37	0.00		
Tools & Implements	0.00	12110.00	0.00	12110.00	0.00	560.00	0.00	560.00	11550.00	0.00		
Computer & Software	284363.00	478280.00	0.00	762643.00	12358.00	75587.38	0.00	87945.38	674697.62	272005.00		
<b>Total</b>	<b>44690743.94</b>	<b>8307334.50</b>	<b>0.00</b>	<b>52998078.44</b>	<b>668390.71</b>	<b>2795478.10</b>	<b>0.00</b>	<b>3463868.81</b>	<b>49534209.63</b>	<b>44022353.23</b>		
Previous Year	1051690.00	43639054.68	0.00	44690744.68	0.00	668390.43	0.00	668390.43	44022354.25	0.00		
Capital Work in Progress	106946.00	391560.00	106946.00	391560.00	0.00	0.00	0.00	0.00	391560.00	106946.00		

**Note:** Capital Work in Progress include Capital Advances.





(Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 6</b>		
<b>A. CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
(as taken, valued and certified by the Management)		
Goods In Transit	1160065.00	4076206.00
Finished Goods	61679504.37	37007430.66
Work in Process	11935178.54	0.00
Raw Material	27727967.00	7141089.15
Stores including Components and Spares	4274639.23	2432186.72
Traded Goods	2773741.00	8480194.00
<b>SUB TOTAL</b>	<b>109551095.13</b>	<b>59137106.53</b>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS:</b>		
(Unsecured- Considered Good)		
a. Debts outstanding for a period exceeding 6 months	1000184.46	0.00
b. Less than Six Months	113685420.93	111585114.17
<b>SUB TOTAL</b>	<b>114685605.39</b>	<b>111585114.17</b>
<b>SCHEDULE - 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash and Cheques in hand	5334732.00	4754062.88
Balances with Scheduled Banks in:		
Fixed Deposits with Bank & Margin Money		
(i) - Current Accounts	8428955.98	4681757.46
(ii) - Fixed Deposits & Margin Money	6166415.71	85000.00
<b>TOTAL</b>	<b>19930103.69</b>	<b>9520820.34</b>
<b>SCHEDULE - 9</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
(A) Advance recoverable in cash or in kind or value to be received/to be adjusted	3918756.66	3193464.38
(B) Inter Corporate Deposit (Including Interest Accrued)	2500000.00	2582894.00
(C) Advance Income Tax (Including Fringe Benefit Tax)	13860000.00	1200000.00
(D) Security Deposits -with Govt Departments	255000.00	300000.00
(E) Security Deposit- with others	827614.00	359614.00
(F) MAT Credit Entitlement	14057065.00	4258138.00
(G) VAT Recoverable	8892.00	0.00
(H) TDS/FBT Recoverable	749907.00	24212.00
<b>TOTAL</b>	<b>36177234.66</b>	<b>11918322.38</b>
<b>TOTAL (Current Assets)</b>	<b>280344038.87</b>	<b>192161363.42</b>

## JAI SUSPENSION SYSTEMS LTD

(Rupees)

	As at 31.03.2010		As at 31.03.2009	
<b>SCHEDULE - 10</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors	160940149.20		186807947.76	
Advance from Customers	1446907.55		434568.62	
Other Liabilities	28248828.02		5931778.00	
<b>PROVISIONS</b>				
Taxation	10704800.00		4770000.00	
Fringe Benefit Tax	0.00		535000.00	
Gratuity	1159459.00		304297.00	
Leave Encashment	1733619.00		195232.00	
<b>TOTAL</b>		<b>204233762.77</b>		<b>198978823.38</b>
<b>SCHEDULE - 11</b>				
<b>DEFERRED REVENUE &amp; PRELIMINARY EXPENDITURE</b>				
Opening Balance	45000000.00		70280.00	
Add:- Incurred during the year	0.00		50000000.00	
	45000000.00		50070280.00	
Less: Written off during the Year	45000000.00		5070280.00	
	0.00		45000000.00	
Closing Balance		0.00		45000000.00
<b>TOTAL</b>		<b>0.00</b>		<b>45000000.00</b>



(Rupees)

	For the year ended 31.03.2010		For the year ended 31.03.2009	
<b>SCHEDULE - 12</b>				
<b>Sales</b>				
Domestic	1142344697.00		281039515.91	
Total Sales	1142344697.00		281039515.91	
Less : Sales Return/Rate Difference	31978666.95	1110366030.05	6066349.20	274973166.71
Sales Traded Goods( Net)		26654615.00		17923426.22
<b>TOTAL</b>		<b>1137020645.05</b>		<b>292896592.93</b>
<b>SCHEDULE - 13</b>				
<b>OTHER INCOME</b>				
Interest Income (Gross)		509821.02		110819.00
[TDS Rs.74638/- (Previous Year Rs.24212/-)]				
Miscellaneous Income		41414.00		0.00
Scrap Sale (Miscellaneous)		341497.00		37654.00
<b>TOTAL</b>		<b>892732.02</b>		<b>148473.00</b>
<b>SCHEDULE - 14</b>				
<b>INCREASE/DECREASE IN STOCKS</b>				
<b>CLOSING STOCK</b>				
Finished Goods	61679504.37		37007430.66	
Work in Process	11935178.54		0.00	
Traded Goods	2773741.00		8480194.00	
		76388423.90		45487624.66
<b>LESS: OPENING STOCK</b>				
Finished Goods	37007430.66		0.00	
Traded Goods	8480194.00		0.00	
		45487624.66		0.00
				0.00
<b>TOTAL</b>		<b>30900799.24</b>		<b>45487624.66</b>
<b>SCHEDULE - 15</b>				
<b>MATERIAL, MANUFACTURING &amp; OPERATING EXPENSES</b>				
<b>(A) RAW MATERIAL CONSUMPTION</b>				
Opening Stock	7141089.15		0.00	
Add: Purchases	665398833.66		193058841.24	
	672539922.81		193058841.24	
Less: Closing Stock	27727967.00	644811955.81	7141089.15	185917752.09
<b>(B) MANUFACTURING EXPENSES</b>				
Stores, Components & Spares Consumed	67925248.08		23230875.95	
Power & Fuel	1982706.72		415083.00	
Machinery Repairs	1126164.02		157679.00	
Job Work Charges	17546288.00	88580406.82	0.00	23803637.95
<b>TOTAL</b>		<b>733392362.63</b>		<b>209721390.04</b>
<b>SCHEDULE - 16</b>				
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>				
Salaries, Wages, Bonus & Gratuity		31892817.51		6650948.55
Contribution to Provident and other Funds		3101915.00		860065.00
Employees Welfare Expenses		847264.50		161995.00
<b>TOTAL</b>		<b>35841997.01</b>		<b>7673008.55</b>

## JAI SUSPENSION SYSTEMS LTD

	(Rupees)			
	For the year ended 31.03.2010		For the year ended 31.03.2009	
<b>SCHEDULE - 17</b>				
<b>SELLING AND ADMINISTRATIVE EXPENSES</b>				
<b>Selling and Distribution Expenses</b>				
Sales Promotion and Advertisement	24011458.38		6264152.11	
Selling Expenses	36518330.00		12083045.00	
Discounts & Rebates	79403718.49		27888877.19	
Freight, Forwarding and Packing	5407916.23		463193.00	
Sales Tax & Other Taxes Paid	1402755.00	146744178.10	221468.00	46920735.30
<b>Administrative and Other Expenses</b>				
Insurance Expenses	85043.00		7410.00	
Rent, Rates and Taxes	3942912.00		573934.00	
Vehicle Running & Maintenance	302969.00		22525.00	
Repairs- Others	170511.00		7737.00	
Travelling and Conveyance	4356936.50		753562.00	
Postage, Telegram & Telephone Expenses	646305.15		101270.37	
Printing & Stationery	329661.46		55179.00	
Charity & Donations	9200.00		0.00	
Professional & Consultancy Charges	810944.00		190638.00	
General Expenses	540220.00		159712.50	
Sundry Balances W/off	1794.02	11196496.13	1337.16	1870630.71
<b>Payment To Auditors</b>				
Audit Fee	220600.00		220600.00	
Payment in Other Capacity	35848.00	256448.00	1685.00	222285.00
Non Compete Fee		100000000.00		0.00
<b>TOTAL</b>		<b>258197122.23</b>		<b>49013651.01</b>
<b>SCHEDULE - 18</b>				
<b>FINANCIAL EXPENSES</b>				
Interest on Unsecured Loan		2707944.00		586504.00
Bank Interest including Bank Charges		4871900.26		21428.03
Interest to Others		626504.00		0.00
<b>TOTAL</b>		<b>8206348.26</b>		<b>607932.03</b>



## SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, mandatory accounting standards and the provisions of the Companies Act, 1956 as adopted consistently by the company.

Accounting policies not specifically referred to, otherwise are consistent with generally accepted accounting principles and followed by the company.

#### B) REVENUE RECOGNITION

Revenue from the sale of goods is recognised at the point of despatch of finished goods to the customers. Sale is accounted for net of returns on receipt of the rejected material. All expenses & revenue are accounted for on accrual basis, except lease rent on lease hold land acquired in earlier year for which the lease rent is yet to be fixed by the relevant authority. Leave travel assistance to employees is accounted for on payment basis.

#### C) CHANGE IN ACCOUNTING POLICIES

Upto March 31, 2009, Non Compete Fee paid by the company was recognized as deferred revenue expenses to be written off in five equal installments (on pro-rata basis). However with effect from this year, the policy has been reviewed to not to consider the Non Compete Fee as Intangible Asset as per AS 26, since the definite economic benefit accruing from such asset is unascertainable in view of fast changing technology and unconfirmed orders from customers and accordingly, Non Compete Fee is written off in the year of its incurrence. Accordingly, the net carrying value of the Non Compete Fee on the start of the year is fully written off in the year under consideration and also the fee paid during this year has been charged to the Profit & Loss Account for the year. Had the company followed its earlier policy, the net profit would have been higher by Rs. 11.50 crore.

#### D) FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost of acquisition or construction/installation and also the preoperative expenses/ other attributable expenses incurred upto the date of start of commercial production less accumulated depreciation. Depreciation on Fixed Assets (other than leasehold land, which is not amortised) is provided at the rates and in the manner provided by Schedule XIV to the Companies Act, 1956 under the straight line method.

#### E) INVENTORIES

Raw Material and Stores (including components and spares) are

valued at cost. Work-in-Progress and Finished Goods are valued at lower of cost, which includes cost of production and overheads, or net realizable value.

#### F) SALES

Sales comprise goods (net of returns), scrap and waste.

#### G) EMPLOYEES RETIREMENT BENEFITS

- Contributions made towards Provident Fund (under the Employees Provident Fund and Miscellaneous Provisions Act, 1952) are charged to the Profit & Loss Account.
- Provision of Gratuity is made during the year and accordingly charged to the Profit & Loss Account on the basis of actuarial valuation, in accordance with AS 15(Revised), "Employee Benefits", for the employees enrolled at the plant. The company makes annual contributions to the LIC for the Gratuity plan in respect of employees in the Marketing Division.
- Provision is made in the Accounts for value of unutilized leaves due to employees at the end of each year.

#### H) BORROWING COST

Borrowing cost attributable to acquisition, construction or production of qualifying assets (assets which requires substantial period of time to get ready for its intended use) is capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

#### I) EXCISE DUTY

The Unit of the company is exempted from excise duty vide notification no 50/2003 dated 10-6-2003 of the Central Government for a period of 10 years from the date of start of commercial production.

#### J) MISCELLANEOUS EXPENDITURE

Preliminary expenses are written off to the Profit & Loss Account in full on the start of commercial production and deferred revenue expenses are written off to the Profit & Loss Account in five equal installments (on pro rata basis from the date of commencement of commercial production).

#### K) PRE-OPERATIVE EXPENSES

All expenditure in relation to the project being implemented by the company is treated as preoperative expenditure till the start of commercial production. Such expenditure is allocated to various assets on start of commercial production.

#### L) IMPAIRMENT OF ASSETS

The carrying amounts of assets, other than inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the

recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and the value in use which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognized in compliance with AS-28

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with AS-28.

**M) TAXATION**

The provision for income tax is made as per provisions of Income Tax Act, 1961.

In accordance with the provisions of Accounting Standard 22 – 'Accounting for Taxes on Income,' issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the books and tax profits for the year is accounted for using the tax rates and the law that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from the timing differences shall be accounted for only in the case there is virtual certainty that the asset can be realized in future.

Net outstanding balance in deferred tax account is recognized as deferred tax asset/liabilities. The deferred tax account is used solely for reversing timing difference as and when crystallized.

**2. NOTES ON ACCOUNTS**

1. Contingent Liabilities not provided for:

a) Claim against the company not acknowledged as debt Rs.13.48 lacs (Previous Year- Rs. Nil) .

2. Estimated capital commitments outstanding (net of advances) and not provided for Rs.2.55 lacs (Previous Year- Rs. Nil).

3. The unit of the company at Pant Nagar is eligible for 100% deduction of the profit of the said undertaking for first 5 years and 30% for the next 5 years from the year of set up of the undertaking as per provisions of section 80-IC of the Income Tax Act,1961. The profit on trading/other activities of the company is taxable as per the other provisions of the Income Tax Act, 1961.

However, the company is liable for Minimum Alternate Tax (MAT) as per the Income Tax Act, 1961 for which the necessary provision is made in the books of accounts. MAT credit available to the company in future years is recognized as asset under Loans & Advances as 'MAT Credit Entitlement' and shall be utilized/adjusted in the future years.

4. The company has allocated entire "Pre-operative Expenses" including Pant Nagar & Chennai incurred upto the date of start of commercial production i.e 16th October, 2008 amounting to Rs 70,33,111/- to the Fixed Assets during the financial year 2008-09, as per AS-10 issued by ICAI.

(Rupees)		
Particulars	2009-10	2008-09
<b>Opening Balance (A)</b>	Nil	5, 38,130
Add: Expenditure during the period	Nil	
Salaries, Wages & Bonus		54, 52,497
Workmen and Staff welfare expenses		24,032
Travelling & Conveyance		2, 30,689
Legal & Professional Charges		19,665
Audit Fee		0.00
Bank Charges		2,842
Interest on Unsecured Loans		5, 76,629
Printing & Stationery		6,518
Rent Rates & Taxes		1, 26,912
Miscellaneous Expenses		8,535
Communication Expenses		19,882
Security Expenses		26,780
<b>Total Expenses during the period (B)</b>		64,94,981
<b>Total (A+B)</b>	Nil	70, 33,111
Less: Capitalized to the Fixed Assets during the year	Nil	70, 33,111
<b>Closing Balance</b>	<b>Nil</b>	<b>Nil</b>

5. The company has charged depreciation on plant and machinery on Double Shift Basis on pro-rata basis for the period of 01-04-2009 to 30-09-2009 and on Triple Shift Basis for the period of 01-10-2009 to 31-03-2010. Depreciation on fixed assets other than Lease-hold Land is provided at the rate and in the manner provided by Schedule XIV to the Companies Act, 1956 under the straight line method.
6. Pursuant to The Micro, Small & Medium Enterprises Development Act, 2006, (MSMED Act 2006) the name(s) of the supplier(s) to whom the company owe a sum exceeding Rs. 1.00 Lac which is outstanding for more than 45 days as on 31-03-2010 have not been furnished in view of insufficient information from the suppliers regarding their status as MSME unit hence amount overdue to such enterprises as on 31-03-2010 cannot be ascertained. However, no specific claims have been received for interest from suppliers.
7. Security Deposit with Sales Tax Department includes an amount of Rs.60,000/- as NSCs purchased in the name of one of the Directors of the company and pledged with Sales Tax Department.
8. Fixed Deposits with Banks are pledged against credit facilities availed by the company.
9. In compliance with the Accounting Standard-22 relating to "Accounting for Taxes on Income" the deferred tax liability has been provided as per details below:



Particulars	(Rs in lacs )		
	As at 31.03.20 10	For the year	As at 31.03.2009
<b>Deferred Tax Liabilities is on account of followings:-</b>			
Depreciation Claimed	16.31	2.70	13.61
Deferred Revenue Expenses/(Reversal)	0	(16.99)	16.99
Gross Deferred Tax Liabilities	16.31	(14.29)	30.60
Reversal of Deferred Tax Liability on account of Deferred Revenue Expenses			
Less: Deferred Tax Assets:			
Carry forward Losses	0	0	0
Other Timing Difference	0	0	0
<b>Total</b>	<b>16.31</b>	<b>(14.29)</b>	<b>30.60</b>

10. Segment Reporting:

i) Information about Business Segment (for the year 2009-10)

The company operates in a Single Primary Segment (business segment) i.e. Tapered Leaf Springs/Parabolic Springs.

ii) Secondary Segment (Geographical Segment)

The company's operating facilities and all other assets are located in India. There is no separate reportable segment as per Accounting Standard 17 for "Segment Reporting" issued by The Institute of Chartered Accountants of India.

11. As required by Accounting Standard – AS 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, following are the names and nature of related parties (As identified by the Management) :

A. Company that control the reporting enterprise Nature of Association

1. Jamna Auto Industries Ltd. Holding Company

B. Key Management Personnel and their relatives:

1. Mr B.S. Jauhar (Chairman & Managing Director)  
 2. Mr. Randeep Singh Jauhar (Director)  
 3. Mr. Pradeep Singh Jauhar (S/o Mr. B.S. Jauhar)

C. Entities over which key management personnel/their relatives are able to exercise significant influence with which transactions have taken place during the year:

-Map Auto Ltd.

Transactions with key management personnel/relative of key management personnel

(Rs In Lacs )

Name	Nature of Transaction	Volume of transaction during the period ending 31.03.2010	Receivables/(Payables) as at 31.03.2010
Mr B.S. Jauhar Jamna Auto Industries Ltd.	Remuneration	86.56	Nil
	Purchases	5808.53	(1122.76)
	Sales	0.09	
	Fixed Assets Purchased	0.61	
	Re-imbursement of Exp	53.23	
	Interest Paid	27.08	
	Service Charges Paid	175.46	
	Non Compete Fee Paid	1000.00	
Jamna Auto Industries Ltd. Map Auto Ltd.	Transfer of Liabilities	102.45	
	Unsecured Loan Repaid	207.35	Nil
	Service Charges	270.80	(75.14)
	Commission Paid	81.83	
	Transfer of Assets	4.42	
	Transfer of Liabilities	28.26	

## JAI SUSPENSION SYSTEMS LTD

### 12. Earning Per Share (EPS)

	Year ended 31.03.2010	Year ended 31.03.2009
Calculations of Weighted Average Number of Equity share of Rs.10/- each		
Number of share at the beginning of the period	1999900	50020
Number of share at the close of the period	1999900	1999900
Weighted average number of shares during the period	1999900	479020
Net Profit for the period attributable to Equity Shares (in Rupees)	62,371,773	38,517,218
Basic and Diluted Earning (in Rupees) per share	31.19	80.41

### 13. Remuneration to Chairman & Managing Director

	Current Year Rs.	Previous Year Rs.
Gross Remuneration	8,079,838	7,314,000
Contribution to Provident and other funds	576,000	602,400

### 14. Installed Capacity & Actual Production

(As certified by the Management and not verified by the Auditors being a technical matter)

(In M.T.'s)

	Installed Capacity	Actual Production
Parabolic/Tapered Leaf Springs	45000 (20000)	12891.31 (3422.09)

### 15. Stocks and Turnover (Manufactured Goods)

(Rs in lacs)

Class of Goods	Opening Stock (Finished Goods)		Production	Sales		Closing Stock (Finished Goods)	
	Qty. Nos	Amount Rs		Qty. Nos	Qty. Nos	Amount Rs	Qty. Nos
Parabolic/Tapered	89321	370.04	1776810	1716143	11103.66	149988	616.80
Leaf Springs	(Nil)	(Nil)	(448057)	(358736)	(2749.73)	(89321)	(370.07)

### 16. Particulars of Raw Material Consumed

	Unit	Quantity	Amount Rs
Spring Leaves	MT	12891.31 (3422.09)	6448.12 (1859.18)

### 17. Stocks and Turnover (Traded Goods)

(Rs in lacs)

Class of Goods	Opening Stock		Purchase		Sales		Closing Stock Qty.	
	Qty. Nos	Amt Rs	Qty. Nos	Amt Rs	Qty. Nos	Amt Rs	Qty Nos	Amt Rs
Parabolic/Tapered	19212	84.83	23735	159.39*	36921	266.55	6026	27.74
Leaf Springs	(Nil)	(Nil)	(49802)	(222.47*)	(30590)	(179.23)	(19212)	(84.80)

\* Exclusive of Freight & Handling Charges.





18. Information regarding Import and Other Matters:

(Rs in lacs)

	Current Year	Previous Year
a. CIF value of Imports	Nil	Nil
b. Expenditure in Foreign Currency	3.66	Nil
c. Value/Quantity of imported & indigenous Raw Material, Stores & Components Consumed.		
i) Raw Material		
Imported		
Value (Rs)	Nil	Nil
Indigenous		
Value (Rs)	6448.12	1859.18
Percentage of total consumption		
Imported	0.00%	0.00%
Indigenous	100.00%	100.00%
ii) Stores & Spare Parts		
Imported	Nil	Nil
Indigenous	679.25	232.31
Percentage of total consumption		
Imported	0.00%	0.00%
Indigenous	100.00%	100.00%
Note : The consumption figures have been derived from the quantitative details available in respect of opening stock, closing stock and purchases made , consumption figures shown after adjusting excesses and shortage on physical count and certain estimates and assumptions made by the management and relied upon by the auditors.		
d. Earnings in Foreign Exchange		
Export of Goods (FOB Basis)	Nil	Nil

19. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For and on behalf of the Board of Directors

**For K. Khanna & Company**

Chartered Accountants

**(Kamal Khanna)**

Proprietor

**(B.S. Jauhar)**

Chairman & Managing Director

**(R. S. Jauhar)**

Director

**(H.S. Gujaral)**

Director

Date : 1 July, 2010

Place : New Delhi

### COMPLIANCE CERTIFICATE

Registration No. of the Company : U34300TN2000PLC044847  
Nominal Capital : Rs. 20000000

To  
The Members,  
JAI SUSPENSION SYSTEMS LIMITED  
Regd. Off: Plot No.22 To 25, Sengundramvillage,  
Maraimalai Nagar, Melrosapuram  
Kanchipuram - 603 204

We have examined the registers, records, books and papers of JAI SUSPENSION SYSTEMS LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions in the Memorandum and Articles of Association of the Company for the financial year ending on 31 March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Ministry of Corporate Affairs/Registrar of Companies, Chennai within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company hence comments are not required.
4. The Board of Directors duly met six times respectively on 8 June, 2009, 11 July, 2009, 28 August, 2009, 3 December, 2009, 30 December, 2009 and 23 March, 2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the financial year.
5. The Company fixed 31 December 2009 as its record date for the purpose of declaration of interim dividend.
6. The Annual General Meeting for the financial year ended on 31 March 2009 was held on 25 September 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary general meeting of the members of the Company was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. Entries in the register maintained under Section 301 of the Act have been properly maintained.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members, Central Government.
12. The Board has not issued any duplicate share certificate during the financial year.
13. The Company:
  - (i) has not issued any share during the financial year.
  - (ii) has declared interim dividend during the financial year, no separate account was opened to deposit the dividend as there was only one beneficiary member. The dividend was credited to the member's account by RTGS transfer.
  - (iii) was not required to post warrants, as dividend was credited to the member's account by RTGS transfer.
  - (iv) has no amount in unpaid dividend account; matured deposits, matured debentures and the interests accrued thereon, which have remained unclaimed or unpaid for any period;



- (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors, and directors to fill casual vacancies during the financial year.
  15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
  16. The Company has not appointed any sole-selling agents during the financial year.
  17. The Company has not taken any approval from the Central Government during the financial year.
  18. The Directors have disclosed their interests in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any share during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited /accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act during the financial year.
  24. Kotak Mahindra Bank has extended working capital limits to the company during the financial year ended 31st March 2010.
  25. The Company has not made any loans or advances or given guarantees or provided any securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
  26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the financial year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the financial year.
  31. As per the examination of documents and information and explanations furnished to us by the management, there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year under review.
  32. The Company has not received any money as security from its employees during the financial year.
  33. The Company has deducted any contribution towards Provident Fund during the financial year under scrutiny.

**For KJ & Associates**  
Company Secretaries

Place: New Delhi  
Date: 1 July, 2010

**(Ramesh Kumar)**  
Partner  
C. P. No. 5197

## JAI SUSPENSION SYSTEMS LTD

### ANNEUXRE 'A'

Registers as maintained by the Company

#### Statutory Registers

1. Minutes Book of Board Meetings
2. Minutes Book of General Body Meetings
3. Register of Share application and Allotment
4. Register of Members u/s 150
5. Books of Accounts u/s 209
6. Register of Directors, Managing Directors, Manager and Secretary u/s 303
7. Register of Directors' shareholdings u/s 307
8. Register of Share Transfer
9. Register of investments

### ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Chennai during the financial year ending 31st March, 2010.

S. No.	Form No./Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fees paid Yes/No
1	Form 20B	159	Annual Return for the AGM held on 30th August, 2009	15th October, 2009	Yes	Not applicable
2	Form-23AC	220	Balance Sheet As on 31st March, 2009.	22nd October, 2009	Yes	Not applicable
3	Form 23ACA	220	Profit & Loss A/c As on 31st March, 2009.	22nd October, 2009	Yes	Not applicable
4	Form 66	383A	Compliance Certificate for financial year ended on 31st March, 2009	21st October, 2009	Yes	Not applicable
5	Form 8	125	Obtaining working capital limit from Kotak Mahindra Bank	24th August, 2009	Yes	Not applicable



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

### I REGISTRATION DETAILS

Registration Number	044847	State Code	18
Balance Sheet Date	31	03	2010
	Date	Month	Year

### II CAPITAL RAISED DURING THE YEAR (RS IN THOUSANDS)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RS IN THOUSANDS)

Total Liabilities	126036	Total Assets	126036
Sources of Funds			
Paid-up Capital	19999	Reserves & Surplus	65792
Secured Loans	38614	Unsecured Loans	Nil
Application of Funds			
Net Fixed Assets	49926	Investments	Nil
Net Current Assets	76110	Misc. Expenditure	Nil

### IV PERFORMANCE OF COMPANY (RS IN THOUSANDS)

Sales & Other Income	1137913	Total Expenditure	1076498
Profit Before Tax	61416	Profit After Tax	61939
Earning per Share (in Rs.)	31.19	Dividend Rate (%)	150

### V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code): 732000

Product Description: PARABOLIC/TAPERED SPRING

As per our report of even date

For and on behalf of the Board of Directors

**For K. Khanna & Company**

Chartered Accountants

**(Kamal Khanna)**

Proprietor

**(B.S. Jauhar)**

Chairman & Managing Director

**(R. S. Jauhar)**

Director

**(H.S. Gujaral)**

Director

Date : 1 July, 2010

Place : New Delhi

# AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## TO THE BOARD OF DIRECTORS OF JAMNA AUTO INDUSTRIES LIMITED

1. We have examined the attached Balance Sheet of JAMNA AUTO INDUSTRIES LIMITED and its wholly owned subsidiary for the year ended on March 31, 2010 and the Consolidated Profit and Loss Account for the year then ended annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. 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 have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of subsidiary company and the same has been audited by other auditors whose report has been furnished to us, and in our opinion, in so far it relates to the amounts included in respect of subsidiary are based solely on the report of other auditors.
4. The financial statements of subsidiary JAI SUSPENSION SYSTEMS LIMITED have been audited by M/s K. Khanna & Company, whose financial statements reflect total assets of Rs. 1260.36 lacs and total revenue Rs. 11379.13 lacs as on 31 March, 2010.
5. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jamna Auto Industries Limited and its subsidiary included in the consolidated financial statements.
6. On the basis of information and explanation given to us together with note 1(e) in schedule 20 of the consolidated accounts and on the consolidation of separate audit report on individual audited financial statements of the company and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principals generally accepted in India.
  - a) In the case of the Consolidated Balance Sheet, of the consolidated state of affair of the company and its subsidiary as at 31 March 2010.
  - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its subsidiary for the year ended on that date : and
  - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the company and its subsidiary for the year ended on that date.

**A S G & Associates**  
Chartered Accountants

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

**For A. K. Kalia & Associates**  
Chartered Accountants

**(Amar Jeet Singh)**  
Partner  
M. No.: 89285

**(Lalit Goel)**  
Partner  
M. No.: 91100

**(Anil K. Kalia)**  
Proprietor  
M. No.: 085672

Date : 8 July, 2010

Place : New Delhi



# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2010

(Rs in lacs)

	Schedule No.	As at 31.03.2010		As at 31.03.2009	
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUND</b>					
Share Capital	1	4003.60		4002.91	
Reserves & Surplus	2	8557.35	12560.95	8371.55	12374.46
<b>LOANS FUNDS</b>					
Secured Loans	3	9631.89		13821.98	
Unsecured Loans	4	2249.93	11881.82	2296.16	16118.14
<b>TOTAL</b>			<b>24442.77</b>		<b>28492.60</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5	25437.81		19361.13	
Less: Depreciation		10837.75		9267.32	
Net Block		14600.06		10093.81	
Capital Work-in-progress		2153.68	16753.74	5600.07	15693.88
<b>INVESTMENTS</b>					
Deferred Tax - Assets ( Ref. Note xviii Sch. 20)	6		525.00		525.00
			1013.94		1553.61
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	7	7912.27		6468.08	
Sundry Debtors	8	5351.58		5925.37	
Cash and Bank Balances	9	1667.14		1395.97	
Loans and Advances	10	2655.32		1660.57	
		17586.31		15449.98	
Less: Current Liabilities & Provisions	11	18552.97		12793.20	
Net Current Assets			(966.66)		2656.78
<b>MISCELLANEOUS EXPENDITURE</b>					
(To the extent not written off/adjusted)	12		2712.00		2789.96
Balance in Profit & Loss Account			4404.75		5273.37
<b>TOTAL</b>			<b>24442.77</b>		<b>28492.60</b>

Significant Accounting Policies and Notes on accounts 20

For and on behalf of the Board

**(R. S. Jauhar)**  
CEO & Executive Director

**(P. S. Jauhar)**  
C O O & Executive Director

**(Gautam Mukherjee)**  
President - Finance

**(Praveen Lakhera)**  
Company Secretary & Head Legal

As per our report of even date attached

**For A.S.G & Associates**  
Chartered Accountants

**(Amar Jeet Singh)**  
Partner

**Goel Garg & Co.**  
Chartered Accountants

**(Lalit Goel)**  
Partner

**A. K. Kalia & Associates**  
Chartered Accountants

**(Anil K. Kalia)**  
Proprietor

Date : 8 July, 2010

Place : New Delhi

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH, 2010

(Rs in lacs)

DESCRIPTION	Schedule No.	Year ended 31.03.2010		Year ended 31.03.2009	
<b>INCOME</b>					
Sales	13	66148.24		52062.08	
Less:Excise Duty & Cess paid		4841.91		6132.87	
Net Sales		61306.33		45929.21	
Other Income	14	268.47	61574.80	797.06	46726.27
Increase / (Decrease) in Stocks	15		(403.99)		(228.27)
<b>TOTAL</b>			<b>61170.81</b>		<b>46498.00</b>
<b>EXPENDITURE</b>					
Material, Manufacturing & Operating	16	46380.59		36885.47	
Payment to and Provisions for Employees	17	3024.05		2235.12	
Selling & Administration Expenses	18	3786.34	53190.98	3633.28	42753.87
<b>Profit before Depreciation, Interest &amp; Tax</b>			<b>7979.83</b>		<b>3744.13</b>
Financial Expenses	19		2617.33		3554.26
<b>Profit before Depreciation &amp; Tax</b>			<b>5362.50</b>		<b>189.87</b>
Depreciation	5		1434.57		947.27
<b>Profit before Taxation/previous year Expenses/ Income</b>			<b>3927.93</b>		<b>(757.40)</b>
Preliminary/Deferred Revenue exp.	12		1503.35		850.68
<b>Profit before Tax</b>			<b>2424.58</b>		<b>(1608.08)</b>
Exceptional Items - (Gain)/Loss			(35.88)		0.00
<b>Profit before Tax</b>			<b>2460.46</b>		<b>(1608.08)</b>
Provision for Income Tax (including Wealth Tax)			107.82		48.48
MAT Credit Entitlement			(97.99)		(42.58)
Provision for Fringe Benefit Tax			0.00		39.85
Deferred Tax ( Ref. Note xviii Sch. 20)			539.67		(396.69)
<b>Profit After Tax</b>			<b>1910.96</b>		<b>(1257.12)</b>
Income Tax Paid for earlier years/Adjustments			18.73		0.00
Add/deduct prior year Expenses/(Income) (net)			788.27		706.39
<b>Profit available for appropriation</b>			<b>1103.97</b>		<b>(1963.51)</b>
Balance of Profit/(Loss) for earlier years			(5273.37)		(3309.86)
Balance Carried To Balance Sheet			(4169.40)		(5273.37)
Transferred to General Reserve			184.37		0.00
Dividend Distribution Tax			50.98		0.00
<b>Balance Carried To Balance Sheet</b>			<b>(4404.75)</b>		<b>(5273.37)</b>
Significant Accounting Policies and Notes on Accounts	20				
Earning per share - Basic (in Rs) Note No xix			5.23		(3.59)
Earning per share - Diluted (in Rs) Note No xix			5.23		(3.59)

For and on behalf of the Board

**(R. S. Jauhar)**

CEO & Executive Director

**(P. S. Jauhar)**

C O O & Executive Director

**(Gautam Mukherjee)**

President - Finance

**(Praveen Lakhera)**

Company Secretary & Head Legal

As per our report of even date attached

**For A.S.G & Associates**

Chartered Accountants

**Goel Garg & Co.**

Chartered Accountants

**A. K. Kalia & Associates**

Chartered Accountants

**(Amar Jeet Singh)**

Partner

**(Lalit Goel)**

Partner

**(Anil K. Kalia)**

Proprietor

Date : 8 July, 2010

Place : New Delhi





# Consolidated Schedules

(Rs in lacs)

	As at 31.03.2010		As at 31.03.2009	
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
65886500 Equity Shares of Rs 10 each (previous year 65886500 shares)		6588.65		6588.65
350000 12.50% Optionally Convertible Cumulative Preference Shares of Rs 100 each (previous year 350000 shares)		350.00		350.00
		<b>6938.65</b>		<b>6938.65</b>
<b>ISSUED &amp; SUBSCRIBED</b>				
38566762 Equity Shares of Rs 10 each (previous year 36560237 shares)		3856.67		3656.02
350000 12.50% Optionally Convertible Cumulative Preference Shares of Rs 100 each (previous year 350000 shares)		350.00		350.00
		<b>4206.67</b>		<b>4006.02</b>
<b>PAID UP</b>				
36538572 Equity Shares of Rs 10 each (previous year 36532047 shares)	3653.86		3653.20	
350000 12.50% Optionally Convertible Cumulative Preference Shares of Rs 100 each (previous year 350000 shares)	350.00		350.00	
Add: Forfeited Shares	1.45		1.45	
	4005.31		4004.65	
Less: Calls in Arrears	1.71	4003.60	1.74	4002.91
		<b>4003.60</b>		<b>4002.91</b>
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Balance Sheet	67.55		67.55	
10% Fully Convertible Warrants forfeited	150.00		150.00	
Amalgamation Reserve	1481.46		1481.46	
Capital Redemption Reserve	53.00	1752.01	53.00	1752.01
<b>Share Premium</b>	12620.78	12620.78	12619.35	12619.35
<b>General Reserve</b>				
Transfer from Profit & Loss account		184.37		0.00
As per last Balance Sheet		3277.84		3277.84
Fully Convertible Warrants forfeited		96.71		96.71
Carried Forward loss from merged companies		(9374.36)		(9374.36)
<b>TOTAL</b>		<b>8557.35</b>		<b>8371.55</b>
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
1. Working Capital Loans from Banks		1001.56		1927.92
2. Term loan from Banks & Financial institutions		4099.68		4792.00
3. Term Loan from Clearwater Capital Partners India Pvt. Ltd. Interest accrued & due		4452.08		6904.17
		0.00		70.36
4. Others		78.57		127.53
<b>TOTAL</b>		<b>9631.89</b>		<b>13821.98</b>

# JAMNA AUTO INDUSTRIES LTD

## NOTES:

### 1. Working capital loans are secured by:

- First pari passu charge by way of hypothecation on the current assets of the company.
- Second pari passu charge on the fixed assets and other moveable assets (other than current assets) on the Malanpur, (excluding one parabolic line of value not exceeding Rs 350 lacs) Chennai, Jamshedpur and Yamunanagar Plants.
- Personal guarantees of Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

### 2. Term Loans are secured by:

#### Clearwater Capital Partners India Pvt. Limited:

- Term Loan of Rs 8100 lacs -Current outstanding Rs 4152.08 lacs
  - First pari passu charge on the fixed assets and other movable assets (other than current assets) of the Malanpur, Yamunanagar and Jamshedpur Plants.
  - Second pari passu charge to be created on the fixed assets and other movable assets (other than current assets) of the Chennai Plant.
  - Second pari passu charge by way of hypothecation on the current assets of the company.
  - Personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.
- Term Loan of Rs 800 lacs - Current outstanding Rs 300 lacs
  - First pari passu charge to be created on the fixed assets and other movable assets (other than current assets) of the Chennai Plant.
  - Second pari passu charge on the fixed assets and other movable assets (other than current assets) of the Malanpur, (excluding one parabolic line of value not exceeding Rs 350 lacs) Yamunanagar and Jamshedpur Plants.
  - Second pari passu charge by way of hypothecation on the current assets of the company.
  - Personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

#### ICICI Bank Ltd - Current outstanding Rs 1973.68 lacs

- First pari passu charge on the fixed assets and other movable assets (other than current assets) of the Malanpur (excluding one parabolic line of value not exceeding Rs 350 lacs), Yamunanagar and Jamshedpur Plants.
- Second pari passu charge on the fixed assets and other movable assets (other than current assets) of the Chennai Plant.
- Second pari passu charge by way of hypothecation on the current assets of the company.
- Personal guarantees of Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

#### IFCI Limited - Current outstanding Rs 2126 lacs

- First pari passu charge on the fixed assets and moveable assets (other than current assets) of the Chennai Plant.
- Second pari passu charge created or to be created on the fixed assets and other movable assets (other than current assets) of the Malanpur, (excluding one parabolic line of value not exceeding Rs 350 lacs) Yamunanagar and Jamshedpur Plants.
- Second pari passu charge by way of hypothecation on the current assets of the company.
- Personal guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director.

### 3. Others:

- H.P.Finance of Rs 78.57 lacs (previous year Rs 127.53 lacs) is secured by hypothecation of specific assets.
- Term Loans due within one year Rs 2954.65 lacs (previous year Rs 3441.82 lacs)
  - Working capital facilities taken by subsidiary are secured by hypothecation of all current and movable fixed assets of subsidiary

(Rs in lacs)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
Interest Free Sales Tax Loan	1954.80	1914.34
Tata Capital Ltd.	295.13	381.82
<b>TOTAL</b>	<b>2249.93</b>	<b>2296.16</b>

**SCHEDULE - 5 FIXED ASSET** (Rs in lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31.03.2009	Additions For the year	Deductions For the year	As at 31.03.2010	Up to 31.03.2009	Depreciation For the year	Deduction For the year	UP TO 31.03.2010	As at 31.03.2010	As at 31.03.2009
Goodwill	921.02	0.00	0.00	921.02	637.21	94.60	0.00	731.81	189.21	283.81
Land	686.74	126.34	0.00	813.08	0.00	0.00	0.00	0.00	813.08	686.74
Building	2272.08	1269.12	0.00	3541.20	778.34	65.42	0.00	843.76	2697.44	1493.74
Plant & Machinery	14365.56	4468.01	74.28	18759.29	7175.94	1404.06	54.61	8525.39	10233.90	7189.62
Furniture & Fixtures	129.32	8.08	0.00	137.40	75.61	6.98	8.07	74.52	62.88	53.71
Vehicles	373.38	40.04	15.07	398.35	208.32	33.29	25.61	216.00	182.35	165.06
Office Equipment	274.12	18.97	0.07	293.02	128.45	14.92	15.79	127.58	165.44	145.67
Software	0.00	214.74	0.00	214.74	0.00	42.95	0.00	42.95	171.79	0.00
Computer	338.91	23.44	2.64	359.71	263.45	27.75	15.46	275.74	83.97	75.46
<b>Total</b>	<b>19361.13</b>	<b>6168.74</b>	<b>92.06</b>	<b>25437.81</b>	<b>9267.32</b>	<b>1689.97</b>	<b>119.54</b>	<b>10837.75</b>	<b>14600.06</b>	<b>10093.81</b>
Capital Work in Progress									2153.68	5600.07
<b>Current Year Total</b>	<b>19361.13</b>	<b>6168.74</b>	<b>92.06</b>	<b>25437.81</b>	<b>9267.32</b>	<b>1689.97</b>	<b>119.54</b>	<b>10837.75</b>	<b>16753.74</b>	<b>15693.88</b>
Less: Depreciation transferred to Sample development						255.40				
	19361.13	6168.74	92.06	25437.81	9267.32	1434.57	119.54	10837.75	16753.74	15693.88
<b>Previous Year</b>	<b>17837.85</b>	<b>1675.02</b>	<b>151.75</b>	<b>19361.13</b>	<b>8249.62</b>	<b>1063.55</b>	<b>45.85</b>	<b>9267.32</b>	<b>10093.81</b>	<b>9588.23</b>

**Note:** Capital Work in Progress includes capital advances.

Out of the total depreciation provided during the year amount of Rs 255.40 lacs (previous year Rs 116.29 lacs) being the proportionate amount attributable to the sample development activities has been considered as deferred revenue expenses

Gross Block & Net Block includes Rs 42.34 lacs and Rs 31.58 lacs respectively for assets acquired on hire purchase.

# JAMNA AUTO INDUSTRIES LTD

(Rs in lacs)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS (AT COST)</b>		
Un-Quoted Investments		
(a) 5249920 equity shares of NHK Spring India Ltd. of Rs 10 each (previous year 5249920 equity shares of Rs 10 each) at Cost	525.00	525.00
<b>TOTAL</b>	<b>525.00</b>	<b>525.00</b>
<b>CURRENT ASSETS</b>		
<b>SCHEDULE - 7</b>		
<b>INVENTORIES (as certified by the Management)</b>		
Goods in Transit	784.78	322.54
Finished Goods	1542.42	1208.66
Work in process	2182.60	2918.31
Raw Material	2143.33	1062.60
Stores including Components and Spares	1223.16	917.95
Scrap	35.98	38.02
<b>SUB TOTAL</b>	<b>7912.27</b>	<b>6468.08</b>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS: Unsecured</b>		
(Unsecured-considered good)		
a. Debts outstanding for a period exceeding 6 months	399.75	1498.60
Less: Written off during the year		432.26
b. Other Debts	4951.83	4859.02
<b>SUB TOTAL</b>	<b>5,351.58</b>	<b>5,925.37</b>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	58.86	56.86
Balance with Scheduled Banks in:		
(i) Current Account	209.65	450.95
(ii) Fixed Deposits & Margin Money	1398.63	888.16
<b>TOTAL</b>	<b>1667.14</b>	<b>1395.97</b>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES</b>		
B. (Unsecured and considered good)		
Advance recoverable in cash or in kind or value to be received/or to be adjusted	1392.71	718.40
Deposits with Excise Authorities	469.17	341.26
Security Deposits	159.30	175.56
Advance Income Tax-net (including fringe benefit tax)	634.14	425.35
<b>TOTAL</b>	<b>2655.32</b>	<b>1660.57</b>
<b>TOTAL (Current Assets)</b>	<b>17586.31</b>	<b>15449.99</b>
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	16667.72	10782.22
Other Liabilities	1554.05	1714.09
<b>PROVISIONS</b>		
Taxation	124.13	64.78
Fringe Benefit Tax	0.00	18.06
Wealth Tax	0.77	0.78
Gratuity	100.84	138.27
Leave encashment	105.46	74.99
<b>TOTAL</b>	<b>18552.97</b>	<b>12793.20</b>



(Rs in lacs)

	As at 31.03.2010		As at 31.03.2009	
<b>SCHEDULE - 12</b>				
<b>DEFERRED REVENUE EXPENDITURE</b>				
Opening Balance	2789.95		1936.74	
Add:Addition during the year	1425.40	4215.35	1703.90	3640.64
Less:Written off during the year		1503.35		850.68
Closing Balance		<b>2712.00</b>		<b>2789.96</b>

(Rs in lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
<b>SCHEDULE - 13</b>				
<b>Sales</b>				
Domestic	65610.19		51751.12	
Export	538.05		310.96	
<b>Total Sales</b>	66148.24		52062.08	
Less:Excise Duty	4841.91	61306.33	6132.87	45929.21
<b>TOTAL</b>		<b>61306.33</b>		<b>45929.21</b>
<b>SCHEDULE - 14</b>				
<b>OTHER INCOME</b>				
Interest Income		119.84		55.91
Miscellaneous income		135.31		552.05
Exchange Fluctuation		1.22		167.06
Export Incentives		1.41		5.17
Sale Scrap Non-Operational		10.54		11.53
Profit on sale of Assets		0.15		5.34
<b>TOTAL</b>		<b>268.47</b>		<b>797.06</b>
<b>SCHEDULE - 15</b>				
<b>INCREASE/DECREASE IN STOCK</b>				
<b>CLOSING STOCK</b>				
Finished Goods	1542.42		1208.66	
Work in Process	2182.60		2918.31	
Scrap	35.98	3761.00	38.02	4164.99
<b>LESS: OPENING STOCK</b>				
Finished Goods	1208.66		792.08	
Work in Process	2918.31		3533.37	
Scrap	38.02	4164.99	67.81	4393.26
<b>Increase/(Decrease)</b>		<b>(403.99)</b>		<b>(228.27)</b>
<b>SCHEDULE - 16</b>				
<b>MATERIAL, MANUFACTURING &amp; OPERATING EXPENSES</b>				
(A) Raw Material Consumption				
<b>OPENING STOCK</b>	1062.60		1585.27	
Add:Purchase	39302.21		30270.20	
	40364.81		31855.47	
Less:closing Stock	2143.33	38221.48	1062.60	30792.87
(B) Manufacturing Expenses				
Stores, Components & spares consumed	4544.87		3239.06	
Power & Fuel	3107.33		2250.80	
Machinery Repairs	398.13		458.04	
Job Charges	108.78	8159.11	144.70	6092.60
<b>TOTAL</b>		<b>46380.59</b>		<b>36885.47</b>

# JAMNA AUTO INDUSTRIES LTD

(Rs in lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
<b>SCHEDULE - 17</b>				
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>				
Salaries, Wages, Bonus and Gratuity		2706.86		1972.02
Contribution to Provident and other Funds		158.21		136.51
Employees Welfare Expenses		158.98		126.59
<b>TOTAL</b>		<b>3024.05</b>		<b>2235.12</b>
<b>SCHEDULE - 18</b>				
<b>SELLING AND ADMINISTRATIVE EXPENSES</b>				
<b>Selling and Distribution Expenses</b>				
Sales Promotion and Advertisement	272.41		501.73	
Discount and Rebates	890.05		811.88	
Freight, forwarding and packing	1634.83	2797.29	882.15	2195.76
<b>Administrative and Other Expenses</b>				
Insurance	19.40		22.57	
Rent, Rates & Taxes	107.00		88.58	
Vehicle Running & Maintenance	21.94		13.87	
Building Repairs	18.20		14.47	
Repairs & Maintenance Others	74.88		68.77	
Travelling and Conveyance	192.29		161.37	
Postage, Telegram & Telephone Expenses	51.94		43.35	
Printing & Stationery	35.18		25.52	
Subscription	3.37		3.88	
Charity & Donation	5.99		1.12	
Professional Consultancy	279.03		238.64	
General Expenses	90.32		89.74	
Sundry Balances Written Off	26.30		175.86	
Out of Pocket Expenses	0.00		0.61	
Recruitment Expenses	1.00		0.00	
Internal Audit Fee	7.20		2.40	
Loss on Sale of Assets	23.48		8.21	
Bad Debts Written Off	0.00		432.26	
SAP Expenses	18.83	976.35	33.95	1425.17
<b>Auditors Remuneration</b>		12.70		12.35
<b>TOTAL</b>		<b>3786.34</b>		<b>3633.28</b>
<b>SCHEDULE - 19</b>				
<b>FINANCIAL EXPENSES</b>				
Interest on Term Loans		801.05		1030.01
Interest on Working Capital		760.16		1098.07
Bill Discounting Charges		357.76		642.70
Bank Charges		698.35		783.48
<b>TOTAL</b>		<b>2617.32</b>		<b>3554.26</b>



## SCHEDULE 20 - ACCOUNTING CONVENTIONS AND NOTES ON ACCOUNTS:

### 1 SIGNIFICANT ACCOUNTING POLICIES:

#### A. BASIS OF ACCOUNTING:

Most of the policies of the holding company and that of the subsidiary company are similar. The accounting policies followed by the holding company are disclosed in the individual financial statement annexed in this annual report.

B. List of Subsidiary Companies	Country of Incorporation	Percentage of Shareholding/ Voting Power
Jai Suspension Systems Limited	India	100%

#### C. BASIS OF PREPARATION/ ACCOUNTING:

The Consolidated Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in accordance with Accounting Standard- 21 on Consolidated Financial Statement issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

#### D. PRINCIPAL OF CONSOLIDATION:

The Consolidated Balance Sheet, Profit & Loss Account, Cash Flow Statement comprises the Balance Sheets, Profit & Loss Accounts and Cash Flow Statements of Jamna Auto Industries Limited and Jai Suspension Systems Limited and have been combined on a line by line basis by adding together the book value of the items of assets, liabilities, income and expenditure after fully eliminating intra – group transaction resulting in unrealized profit or loss.

### 2. NOTES TO ACCOUNTS:

i. Contingent Liabilities not provided for in respect of:

(Rs in lacs)

	As at 31.03.2010	As at 31.03.2009
a. Demands against the company not acknowledged as debts.	92.56	97.10
b. Claim pending against the company not acknowledged as debts.	68.36	0.70
c. Import of machinery under EPCG Scheme	280.58	258.84
d. Bank Guarantees	6.50	16.34

ii Capital commitments outstanding (net of advances) and not

provided for Rs 301.93 lacs (previous year Rs1682.31 lacs).

iii. Managerial Remuneration	(Rs in lacs)	
	For the year ended on	
	31.03.2010	31.03.2009
(i) Remuneration	248.19	245.32
(ii) Provident Fund	18.81	18.49
(iii) Perquisites	5.17	0.72

iv. Government of India has promulgated an Act namely, The Micro, Small and Medium Enterprises Development Act, 2006 which came into force with effect from October 2, 2006. As per the Act, the company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The information related to their dues/overdue has been furnished by the company for those parties from whom the details have been received towards the same. The total liability of interest is Rs 0.16 lacs on a liability of Rs 21.82 lacs.

v Fixed Deposit Receipts with Banks are pledged against guarantees and other facilities availed of from them by the company.

vi. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business.

vii. The company has charged depreciation on Plant and Machinery on Double Shift basis for the period 01.04.2009 to 30.09.2009 and on Triple Shift basis for the period 01.10.2009 to 31.03.2010. Depreciation on other fixed assets is provided at the rate provided by Schedule XIV to the Companies Act, 1956 under the straight line method.

viii. Balances in debtors are subject to confirmation.

ix. Deferred revenue expenditure has been amortised over a period of five years. A sum of Rs 1503.35 lacs has been amortised for the current year.

x. The company operates in a single business segment i.e. manufacturing of Parabolic/Tapered leaf Spring and has its production facilities and all other assets in India. During the year domestic segment revenue was Rs 65610.19 lacs (previous year Rs 51751.12 lacs) and International Segment revenue was Rs 538.05 lacs (previous year Rs 310.96 lacs).

xi. Gratuity liability is provided on the basis of actuarial valuation.

xii. The company has allocated and apportioned during the year a sum of Rs 1425.40 lacs including depreciation of Rs 255.40 lacs

(previous year Rs 1203.89 lacs including depreciation of Rs 116.29 lacs) being expenditure incurred towards Sample Development, based on the technical and costing estimates/reports. The Management is of the view that it is expected that the company shall be deriving future benefits on this account and hence such expenditure has been considered as Deferred Revenue Expenditure.

xiii. In compliance to accounting of various exchange contracts under Accounting Standards-30 and clarification issued by Institute of Chartered Accountants of India from time to time the Mark to Market loss of Rs 199.74 lacs against forward contracts taken by the company has been provided as foreign exchange loss in the Profit & Loss Accounts.

xiv The company has changed method of charging depreciation on Fixed Assets other than Building and Plant and machinery installed at its Chennai plant with effect from 1st April 2009. An amount of Rs. 58.89 lacs has arisen as surplus on account of retrospective computation of depreciation under Straight Line Method. This surplus is accounted and disclosed under exceptional item in the Profit & Loss account.

xv As required by Accounting Standard 28, Impairment of Assets, the company has reviewed potential generation of economic benefits from fixed assets. Accordingly, the provision for impairment loss amounting to Rs.17.01 lacs (Previous year 8.06 lacs) has been made during the year.

xvi. The newly set up unit of Jai Suspension Systems Limited at Pant Nagar is eligible for 100% deduction of the profit of the said undertaking for first 5 years and 30% for the next 5 year from the year of set up of the undertaking as per provisions of Section 80-IC of the Income Tax Act, 1961. The profit on trading/other activities of the Jai Suspension Systems Limited is taxable as per the other provisions of the Income Tax Act, 1961.

However, Jai Suspension Systems Limited is liable for Minimum Alternate Tax (MAT) as per the Income Tax Act, 1961 for which necessary provision has been made in the books of accounts. MAT credit available to Jai Suspension Systems Limited in future year

is recognized as an asset under Loan & Advances as MAT Credit Entitlement and shall be utilized /adjusted in future years.

xvii. (a) Transaction with the wholly owned subsidiary company- Nil

(b) Related party disclosures:

Names of related parties and nature of related party relationships are as under:

**Companies in which the company has substantial interest (i.e. more than 20% in voting power)**

Jai Suspension Systems Limited

**Key Management Personnel and their relative:**

- |                          |   |
|--------------------------|---|
| (1) Mr. B. S. Jauhar     | (Chairman)  |
| (2) Mr. R. S. Jauhar     | (CEO & Executive Director)  |
| (3) Mr. P. S. Jauhar     | (COO & Executive Director)  |
| (4) Mr. S. P. S. Kohli   | (President & Executive Director)                                    |
| (5) Mrs. Khem Kaur       | (W/o Mr. B. S. Jauhar)  |
| (6) Mrs. Sonia Jauhar    | (W/o Mr. R. S. Jauhar)  |
| (7) Mrs. Kiran Chadha    | (Relative of Mr. B. S. Jauhar, Mr. R. S. Jauhar & Mr. P. S. Jauhar) |
| (8) Mrs. Inder Beer Kaur | (W/o Mr. S. P. S. Kohli)  |

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

- |                                     |  |
|-------------------------------------|--|
| (1) Jamna Agro Implements Pvt. Ltd. | (Mrs. Khem Kaur/Mr. R.S. Jauhar/Mr. P.S. Jauhar/ Mr. B. S. Jauhar) |
| (2) S.W. Farms Pvt. Ltd.            | (Mrs. Sonia Jauhar/ Mr. R. S. Jauhar)                              |
| (3) MAP Auto Ltd.                   | (Mr. B. S. Jauhar/ Mr. R. S. Jauhar/ Mr. P. S. Jauhar)             |
| (4) Mrs. Inder Beer Kaur            | (Mr. S. P. S. Kohli)   |





### Transactions with key management personnel / relatives of key management personnel

	Name	Nature of Transaction	Volume of transactions during the year ended on 31.03.2010 (Rs in lacs)	Receivable / (Payable) as at 31.03.2010 (Rs in lacs)
(1)	Mr. B. S. Jauhar	Remuneration	86.56	0.00
(2)	Mr. R. S. Jauhar	Remuneration	83.52	(4.02)
(3)	Mr. P. S. Jauhar	Remuneration	83.20	0.00
(4)	Mrs. Kiran Chadha	Remuneration	18.00	0.00
(5)	Mr. S. P. S. Kohli	Remuneration	18.89	0.00
(6)	S.W. Farms Pvt. Ltd.	Rent	12.00	0.00
(7)	Mrs. Sonia Jauhar	Rent	7.20	0.00
(8)	Mrs. Inder Beer Kaur	Rent	8.40	(0.52)
(9)	Jamna Agro Implements Pvt. Ltd.	Job Work	58.15	(23.77)
(10)	MAP Auto Ltd.	Logistic transactions	906.02	(172.99)
(11)	MAP Auto Ltd.	Rent	2.53	0.12
(12)	Winthrop Marketing	Commission	12.24	0.99
(13)	MAP Auto Ltd.	Service Charges	352.63	(75.14)
(14)	MAP Auto Ltd.	Transfer of Assets/Liability	32.68	0.00

### xviii. The major components of deferred tax liabilities as on 31.03.2010 and 31.03.2009 are as under:-

Particulars	As at 31.03.2010	For the year ended on 31.03.2010	As at 31.03.2009
<b>Deferred Tax Liability is on account of the following:-</b>			
Depreciation claimed	1965.74	273.49	1692.25
Deferred Revenue Expenditure	921.81	109.46	812.35
<b>Less : Deferred Tax Assets</b>			
Carry forward Losses	3901.49	-156.72	4058.21
Other timing difference			
<b>Total :</b>	<b>(1013.94)</b>	<b>539.67</b>	<b>(1553.61)</b>

### xix. Earning per share (EPS):

	Year ended on 31.03.2010	Year ended on 31.03.2009
(a) Calculation of Weighted Average Number of Equity Shares of Rs 10 each		
Number of Shares at the beginning of the period	36532047	33875792
Number of Shares at the close of the period	36538572	36532047
Weighted Average Number of Equity Shares During the period	36532977	34990863
(b) Net Profit for the period attributable to Equity shares (Rupees in lacs)	1910.96	(1257.12)
(c) Basic Earnings (in Rupees) per share	5.23	(3.59)
(d) Diluted Earning (for Rupees) per share	5.23	(3.59)

## JAMNA AUTO INDUSTRIES LTD

xx. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

### xxi. ADDITIONAL INFORMATION PURSUANT TO PROVISION OF SCHEDULE VI OF THE COMPANIES ACT, 1956

(i) Particulars in respect of capacity, goods manufactured, turnover and stocks (As certified by the Management)

#### a) Capacity Installed

	As on 31.03.2010	As on 31.03.2009
1. Auto Parabolic /Tapered Leaf Spring/Loose Leaves (MT)	144000	119000
2. Railway (Spare & Loose Leaves)	2400	2400
3. Agriculture Implements	1000	1000

#### b) Production, Turnover & Stock (As certified by the Management)

	Unit	Opening Stock		Production Qty.	Sales		Closing Stock	
		Qty.	Amount		Qty.	Amount	Qty.	Amount
Spring & Spring Leaves	MT	1925.531 (1228.988)	1208.66 (792.08)	107310.025 (68011.614)	107242.560 (67315.071)	66148.24 (52062.08)	1992.996 (1925.531)	1542.42 (1208.66)

#### c) Particulars Of Raw Material Consumed

	UNIT	QUANTITY	VALUE
Spring Steel Flats	M.T	112994.783 (73481.893)	38221.48 (30792.87)

ii) Value of Imported and Indigenous Raw Material,

Stores, Spares & Components consumer.	Raw Material	Percentage	Stores, Spares & Components	Percentage
Imported (Rs)	4582.83 (8700.74)	11.99 (28.25)	23.70 (304.77)	0.52 (9.41)
Indigenous (Rs)	33638.65 (22092.13)	88.01 (71.75)	4521.17 (2934.29)	99.48 (90.59)
	Stores, Spares & Components		Capital Goods	
iii) Value of Import on CIF Basis (Rs)	4595.63 (9976.88)		305.72 (288.34)	
iv) Earning in Foreign Exchange from Export of Goods (calculated on FOB Basis) - (Rs)	519.85 (256.14)			
v) Expenditure in Foreign Currency (On cash basis) (Rs) Traveling	35.14 (54.46)			
vi) Others	113.34 (36.19)			

The figures in brackets pertain to previous year.

For and on behalf of the Board

**(R. S. Jauhar)**

CEO & Executive Director

**(P. S. Jauhar)**

C O O & Executive Director

**(Gautam Mukherjee)**

President - Finance

**(Praveen Lakhera)**

Company Secretary & Head Legal

As per our report of even date attached

**For A.S.G & Associates**

Chartered Accountants

**(Amar Jeet Singh)**

Partner

**Goel Garg & Co.**

Chartered Accountants

**(Lalit Goel)**

Partner

**A. K. Kalia & Associates**

Chartered Accountants

**(Anil K. Kalia)**

Proprietor

Date : 8 July, 2010

Place : New Delhi



## CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year ended 31.03.2010 (Rs in lacs)		Year ended 31.03.2009 (Rs in lacs)	
<b>A- Cash Flow From Operating Activities</b>				
<b>Net Profit/(Loss) Before Tax &amp; Extra Ordinary Items</b>		<b>2276.09</b>		<b>(1608.08)</b>
Adjusted for :-				
Depreciation	1434.57		947.27	
Net loss/( Profit) on sale of Investment	0.00		0.00	
Net loss/( Profit) on sale of Assets	23.33		2.87	
Interest Paid	2617.33		3554.26	
Dividend received	0.00		0.00	
Misc. expenditure written off	1503.35	5578.58	850.68	5355.07
<b>Operating Profit before Working Capital Change</b>		<b>7854.67</b>		<b>3747.00</b>
Adjusted for :-				
Inventories	(1444.19)		854.16	
Trade Receivables	573.79		1850.94	
Other Receivables	(994.75)		425.21	
Trade Payables	5885.50		2037.69	
Other Payables	(125.73)	3894.62	(437.48)	4730.52
<b>Cash Generated from Operations</b>		<b>11749.29</b>		<b>8477.52</b>
Less : Interest Paid	2617.33		3554.26	
Provision for Tax	9.83		45.74	
Taxation adj. For previous years	0.00		0.00	
Income Tax Paid	18.73		0.00	
Dividend Tax paid	50.98		0.00	
Previous Year Expenses	788.27	3485.13	706.39	4306.39
Net Cash Generated from Operations		8264.16		4171.13
<b>B- Cash Flow from Investing Activities</b>				
Additions in Fixed Assets		(2722.35)		(3576.53)
Deferred Revenue Expenditure		(1425.40)		(1703.89)
Depreciation included in Deferred Revenue		255.40		116.29
Disposal of Fixed Assets		(50.81)		103.03
<b>Net Cash Flow from Investing Activities</b>		<b>(3943.16)</b>		<b>(5061.10)</b>
<b>C- Cash Flow from Financing Activities</b>				
Net Increase in Share Capital		0.68		265.69
Share Premium		1.44		1646.90
Change in other Reserves & Surplus		184.37		96.72
Net Increase in Borrowings		(4236.32)		(1458.92)
<b>Net Cash from Financing Activities</b>		<b>(4049.83)</b>		<b>550.38</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>		<b>271.17</b>		<b>(339.60)</b>
<b>Cash &amp; Cash Equivalents Closing Balance</b>	1667.14		1395.97	
<b>Cash &amp; Cash Equivalents Opening Balance</b>	1395.97	<b>271.17</b>	1735.57	<b>(339.60)</b>

(R. S. Jauhar)  
CEO & Executive Director

(P. S. Jauhar)  
COO & Executive Director

(Gautam Mukherjee)  
President - Finance

(Praveen Lakhera)  
Company Secretary & Head Legal

### AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Jamna Auto Industries Limited is derived from the audited financial statements for the year ended 31st March 2010 and found the same to be drawn in accordance with the requirements of the Clause 32 of the Listing Agreements with the Stock Exchanges.

**For A S G & Associates**  
Chartered Accountants

(Amar Jeet Singh)  
(Partner)

Date : 8 July, 2010  
Place : New Delhi

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

(lalit Goel)  
(Partner)

**For A. K. Kalia & Associates**  
Chartered Accountants

(Anil K. Kalia)  
(Proprietor)

## NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the members of the company will be held on Saturday, the 7th day of August 2010 at 11:30 a.m. at the Registered Office of the company at Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001 (Haryana) to transact the following businesses:

### AS ORDINARY BUSINESS:

#### Item No. 1

To receive, consider and adopt the Audited Balance Sheet of the company as at 31 March 2010 and Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

#### Item No. 2

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

#### Item No. 3

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

#### Item No. 4

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

#### Item No. 5

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

**“RESOLVED THAT** M/s Goel Garg & Co., Chartered Accountants, be and is hereby appointed as Joint Statutory 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 decided by the Board of Directors or Committee thereof exclusive of traveling and other out of pocket expenses.”

#### Item No. 6

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

**“RESOLVED THAT** M/s ASG & Associates, Chartered Accountants, be and is hereby appointed as Joint Statutory 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 decided by the Board of Directors or Committee thereof exclusive of traveling and other out of pocket expenses.”

#### Item No. 7

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

**“RESOLVED THAT** M/s A. K. Kalia & Associates, Chartered

Accountants, be and is hereby appointed as Joint Statutory 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 decided by the Board of Directors or Committee thereof exclusive of traveling and other out of pocket expenses.”

### AS SPECIAL BUSINESS:

#### Item No. 8

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

**“RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and applicable provisions of the Memorandum and Articles of Association of the company, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), and subject to such approvals, consents, permissions and sanctions of Securities & Exchange Board of India ("SEBI"), Central Government, the relevant Stock Exchanges and other appropriate authorities, as may be necessary and subject further to such terms, conditions and modifications as may be prescribed in granting such consents, approvals and permissions and subject to such conditions as may be imposed by SEBI, Central Government, the relevant Stock Exchanges and other appropriate authorities which may be agreed to by the Board at its sole discretion, consent of the company, be and is hereby accorded to the Board to issue and allot to Clearwater Capital Partners Singapore Fund III Pvt. Ltd. on preferential basis 1578947 Equity Shares of Rs 10 each fully paid up at a premium of Rs 85 each equity share as per the terms and conditions indicated in the explanatory statement to this notice.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or a committee duly constituted be and is hereby authorized to take all such steps, actions, and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its discretion may deem fit including filing necessary papers/documents with the Registrar of Companies/Reserve Bank of India/Stock Exchanges or any statutory authority as may be required, without being required to seek any further consent or approval of the company or otherwise to end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

#### Item No. 9

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

**“RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and applicable provisions of the Memorandum and Articles of Association of the



company, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), and subject to such approvals, consents, permissions and sanctions of Securities & Exchange Board of India ("SEBI"), Central Government, the relevant Stock Exchanges and other appropriate authorities, as may be necessary and subject further to such terms, conditions and modifications as may be prescribed in granting such consents, approvals and permissions and subject to such conditions as may be imposed by SEBI, Central Government, the relevant Stock Exchanges and other appropriate authorities which may be agreed to by the Board at its sole discretion, consent of the company, be and is hereby accorded to the Board to issue and allot to MAP Auto Limited on preferential basis 1052631 Equity Shares of Rs 10 each fully paid up at a premium of Rs 85 each equity share as per the terms and conditions indicated in the explanatory statement to this notice.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or a committee duly constituted be and is hereby authorized to take all such steps, actions, and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its discretion may deem fit including filing necessary papers/ documents with the Registrar of Companies / Reserve Bank of India/ Stock Exchanges or any statutory authority as may be required, without being required to seek any further consent or approval of the company or otherwise to end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
3. Members are requested to:
  - a) Intimate immediately any change in their address to the company's Registrar and Share Transfer Agents i.e Skyline Financial Services Pvt. Ltd. located at 246, Ist Floor, Sant Nagar, East of Kailash, New Delhi- 110 065.
  - b) Please quote folio no. in all correspondence and in case the shares are held in dematerialized form, please quote the client ID and DP ID number.
  - c) Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.

4. The register of Members of the company and Share Transfer Books will remain closed from Wednesday, 4 August 2010 to Friday, 6 August 2010 (both the days inclusive).
5. Members holding shares in physical form are, in their own interest, requested to dematerialize the shares to avail the benefits of electronic holding/ trading.
6. Shareholders seeking information with regard to accounts are requested to write to the company at least ten days in advance as to enable the company to keep the information ready.
7. Members/Proxies are requested to bring their copy of the annual report to the meeting, as copies of the report will not be distributed at the meeting.

By order of the Board  
For Jamna Auto Industries Limited  
**Praveen Lakhera**  
Company Secretary & Head-Legal

Date: 8 July, 2010  
Place: New Delhi

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

Item No. 8 & 9

**Object of the Issue:**

The company is considering a growth plan for its business to expand in domestic and export markets. It needs to raise its production capacity through setting up new units, investment in additional machinery, funding its working capital requirements and replacement of debt with new debt/equity / hybrid instrument / a combination of any or all of these, as may be required. As part of this expansion exercise the company seeks to raise financing of approx. Rs 25 crore to fund its growth plans & replace its existing debts. Considering the quantum and timing of the fund requirement the company has planned to raise funds by the preferential issue. The company proposes to raise Rs 25 crore through a preferential issue of equity shares in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") with the promoters, (through Map Auto Limited), investing Rs 10 crore and the balance Rs 15 crore being invested by Clearwater Capital Partners Singapore Fund III Pvt. Ltd.

**Intention of the promoters/directors/key management persons to subscribe to the offer:**

Promoters are subscribing a portion of the preferential issue in the following manner .

Name of Entity	No. of Shares
Map Auto Limited	1052631
Regd. Office : Aggarwal Godown, Opposite Church, Mall Road, Morar, Gwalior – 474006	

## JAMNA AUTO INDUSTRIES LTD

Other than the above, no other Promoters, directors or key managerial personnel of the company shall subscribe to the offer.

### Shareholding Pattern (Number of Shares):

The share holding pattern of the company pre and post the proposed preferential issue is provided below:

Particulars	Existing shareholding		Shareholding after allotment of shares	
	Shares	%age	Shares	%age
Promoters & associates	16357249	44.77	17409880	44.45
Clearwater Capital Partners Singapore Fund III Pvt. Ltd.	0	0.00	1578947	4.03
Clearwater Capital Partners (Cyprus) Ltd.	9614147	26.31	9614147	24.54
NHK Spring	2308509	6.32	2308509	5.89
Institutional Investor	353885	0.97	353885	0.91
Private Corporate Bodies	2277084	6.23	2277084	5.81
NRI	222928	0.61	222928	0.57
Others	5404770	14.79	5404770	13.80
<b>TOTAL</b>	<b>36538572</b>	<b>100</b>	<b>39170150</b>	<b>100</b>

### Relevant date & proposed time within which the allotment shall be completed:

For the purpose of this preferential issue the relevant date in accordance with the SEBI Regulations is 8 July 2010. The equity shares pursuant to this preferential issue will be allotted within 15 days from date of Annual General Meeting or within 15 days of receipt by the company of all necessary approvals, consents, permissions and sanctions of Securities & Exchange Board of India ("SEBI"), Central Government, relevant Stock Exchanges and other appropriate authorities, whichever is later.

### Identity of the proposed allottee and the percentage of post preferential issue capital that may be held by them:

Allottee	Existing shareholding		Shareholding after the preferential issue	
	No. of shares	% age	No. of shares	% age
Map Auto Limited Regd. Office : Aggarwal Godown, Opposite Church, Mall Road, Morar, Gwalior – 474006 PAN No.: AABCM3868N	3572080	9.78	4624711	11.81
Clearwater Capital Partners Singapore Fund III Pvt. Ltd. Regd. Office: 4, Battery Road, 34-01, Bank of China Building, Singapore (049908) PAN No.: AADCC2238C	--	--	1578947	4.03
<b>Total shareholding</b>	<b>36538572</b>	<b>100</b>	<b>39170150</b>	<b>100</b>

### NO CHANGE OF CONTROL:

Pursuant to the preferential issue of shares to the promoters (through Map Auto Limited) and to Clearwater Capital Partners Singapore Fund III Pvt. Ltd. there will be no change in control of the company.

### Recomputation of price of shares if required

The company undertakes that it shall re-compute the price of equity shares in terms of the provisions of SEBI Regulations if the company is required to do so. The company further undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI Regulations, the equity shares shall continue to be locked-in till the time such amount is paid by the allottees.

### LOCK IN OF SHARES:

1. The share allotted to Map Auto Limited shall be locked in for a period of 3 years from the date of allotment.
2. The share allotted to Clearwater Capital Partners Singapore Fund III Pvt. Ltd. shall be locked in for a period of 1 year from the date of allotment.
3. All shares held by Map Auto Limited shall be locked in from the relevant date upto a period of six months from the date of the preferential allotment.



### **Statutory Auditor's certificate**

Certificate of the Statutory Auditors, in terms of SEBI Regulations, certifying that the proposed preferential issue is being made in accordance with the requirements of the SEBI Regulations shall be placed before the Annual General Meeting.

Your directors therefore recommend the resolutions as Special Resolutions for your approval.

Mr. Robert Petty and Dr. Pierre Jean Everaert being nominee of Clearwater Capital Partners on the Board of Directors of the company and Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar being promoters of the company are interested or concerned in the resolutions. None of the other directors are interested or concerned in the resolutions.

By order of the Board  
For Jamna Auto Industries Limited  
**Praveen Lakhera**  
Company Secretary & Head-Legal

Date: 8 July, 2010  
Place: New Delhi

In terms of clause 49 of the listing agreement with stock exchanges, a brief profile of directors who are proposed to be re-appointed at this meeting is given below:

**Mr. Pradeep Singh Jauhar**  
**DoB: 23 August 1964**

Mr. Pradeep Singh Jauhar is one of the promoters of the company. He is a commerce graduate and has experience of over 22 years in the spring industry. He has vast experience of the industry and deep knowledge of manufacturing of suspension systems. He is related to Mr. B. S. Jauhar and Mr. R. S. Jauhar. He holds 1812897 shares in the company.

**Mr. C. K. Vohra**  
**DoB: 17 May 1943**

Mr. Vohra is a member of ICSI, ICWA, a Law Graduate and Master of Business Administration. He retired from the Indian Revenue Service as Chief Commissioner of Income-Tax. During his tenure in Indian Revenue Service he worked in various positions and also worked in the Department of Expenditure in Ministry of Finance and Ministry of Tourism & Civil Aviation. He does not hold any share in company.

**Mr. U. K. Singhal**  
**DoB: 20 June 1942**

Mr. Singhal is a Law Graduate. He has been in practice as corporate law advocate and has rich experience of more than 40 years in corporate law matters. He does not hold any share in company.







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## Cautionary statement

The statements in this annual report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global or domestic

demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, etc. The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of Subsequent developments, information or events.



**Jamna Auto Industries Ltd**

**Corporate Office:**

2, Park Lane, Kishangarh, Vasant Kunj, New Delhi - 110070 (India)

Tel: +91-11-26893331, 26896960

Fax: +91-11-26893180, 26893192

E-mail: [marketing@jaispring.com](mailto:marketing@jaispring.com)