



JMT AUTO LIMITED



26th

ANNUAL REPORT

2012-13



FORWARD – LOOKING STATEMENT

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

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

VISION

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

MISSION

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





<u>Contents</u>	<u>Page. No.</u>
Corporate Information	02
Chairman's Statement	03
Financial Highlights	04
Notice	05
Directors' Report	14
Management Discussion and Analysis Report	23
Corporate Governance	28
CEO/ CFO Certification	43
Auditors' Certificate on Corporate Governance	44
Auditors' Report on Financial Statements	45
Balance Sheet	49
Profit & Loss Account	50
Cash Flow Statement	51
Notes to Financial Statements	52
Attendance Slip and Proxy Form	

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the Circular No. 17/2011 dated 21.4.2011 and Circular No. 18/2011 dated 29.04.2011 issued by the Ministry, Company can send NOTICE of AGM & Annual Report, to its shareholders through electronic mode to the registered e-mail address of shareholders. The full text of reports statements etc. will be available to shareholders on company's website and be sent to shareholders in physical form on request without any extra cost. Physical copies will also be available for inspection during office hours at registered office..

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman-cum-Managing Director

Mr. Rajeev Singh Dugal

Whole-Time Director

Mr. Jasjit Singh Dugal

Non-Executive Independent Directors

Mr. Sushil Kumar Khowala

Mr. Sanjay Kukreja

Mr. Malkeet Singh Saini

Chief Financial Officer

Mr. Harjinder Singh

Company Secretary & Compliance Officer

Ms. Mona K Bahadur

Statutory Auditors

**M/s. Deloitte Haskins & Sells,
Chartered Accountants**

Bankers

Axis Bank Limited

Bank of India

HDFC Bank Limited

IDBI Bank Limited

L & T Finance Limited

State Bank of India

TATA Capital Financial Services Limited

Registrar & Share Transfer

**M/s. C B Management Services (P) Ltd
P- 22, Bondel Road,
Kolkata- 700 019**

Registered Office

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

Corporate & Administrative Office

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



From the Chairman's Desk

Ladies and Gentlemen,

It is less than 12 months that I stood here welcoming you all to the Silver Jubilee AGM of your Company- a milestone we all are proud to have attained, a feat that has filled me and the whole JMT Family with a renewed fervor and zest to scale new heights and reach new milestones. With a sense of gratitude for your unwavering support in this long journey, I welcome you all to the 26th Annual general Meeting of your Company.

We all know the year 2012 has been very tough for the Auto Industry as a whole with a significant slowdown in this segment due to several factors ranging from rising oil prices, high inflation and overall pessimism hovering over the Indian economy. The global slowdown has hit the Indian Auto Industry and Auto Component Industry resulting in a bleak growth rate. Your Company's turnover has gone down by 16% compared to last year.

But the worst is over, we have hit the base and the only road ahead is an ascending one. India is already in the process of becoming the destination of choice in the world for design and manufacture of automobiles and auto components.

Global OEMs are reaching out to Indian Auto Component manufacturing Companies at a fast pace. Companies proactively prepared with world class technology and highly skilled manpower will definitely gain huge scope for growth and expansion.

The growing scope has also thrown up major challenges for the Indian Auto Component Industry. Some of the major challenges include greater competition in domestic as well as export markets, integrating into the global supply chain, quality level, low overall technology capability in terms of product design & development, and manufacturing & associated technologies in the value chain etc.

The concept of attaining competitiveness on the basis of abundant and cheap labour, favourable exchange rates and concessional duty structure is becoming inadequate and therefore, not sustainable. Domestic auto component manufacturers are increasingly complying with the internationally accepted quality standards like six sigma, ISO, etc which has caught the attention of global OEMs.

Increasing number of global OEMs are moving substantial part of their manufacturing operations to India so as to make India their export base. This will provide opportunity for domestic component manufacturers to expand their clientele as well as presence. Further, it will also provide opportunity for domestic manufacturers to become a part of global supply chain of these OEMs.

The need of the hour is technology upgradation and development coupled with skilled manpower adept at multitasking, at all levels. Auto component companies with a technological edge, global scale advantage or an identified and exploitable niche will have better prospects in the current market.

With this aim, your Company has proposed to avail External Commercial Borrowing of USD 9 million from International Finance Corporation, a member of the World Bank Group, to set up Automated Press Forging Plant at Adityapur. The new plant involves environmentally safe processes and much higher level of precision in its end products, requiring negligible amount of machining post-forging. This is bound to give us an edge over our competitors and enhance our production rate significantly.

Company's business strategy for FY 2013-14 includes procuring new and better machines, and hiring skilled manpower to achieve significant growth and improvement in rate of production and minimize rejections and losses.

Your support and encouragement is needed to surmount the flux of the market and to meet the new challenges posed by the changing scenario of the Auto Industry. I take this opportunity to convey my thanks and acknowledgement for the co-operation and assistance extended by the Central Government, State Government, Financial Institutions, the Company's Bankers, dealers and suppliers. I also sincerely appreciate each and every member of the JMT Family for their sincere and committed contribution to the sustained growth of the Company. May we have a more rewarding year and may we meet with better financial performance of your Company. My best wishes to all of you.

Thank you for your presence and patient listening.

Thank You

Rajeev Singh Dugal
Chairman-cum-Managing Director



FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

DESCRIPTION	2012-13	2011-12	2010-11	2009-10	2008-09
SALES & JOB WORK	30684.65	36344.59	29176.69	19093.64	18879.52
DEPRECIATION	2162.67	1955.71	1817.90	1586.85	1603.00
FINANCE COST	1906.50	2035.17	1749.69	1795.67	1723.32
EBIDTA	5601.00	6344.60	5021.28	4014.24	4020.40
PBT	1531.83	2353.72	1453.69	680.23	694.08
PAT	1202.08	1608.45	981.80	353.26	346.34
DIVIDEND	5%	10%	5%	2.5%	1%
DIVIDEND PAYOUT	71.98	143.95	71.98	35.99	14.40

(Rs. in Lakhs)

DESCRIPTION	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009
NET FIXED ASSET	21480.01	21676.50	18350.90	17698.74	17337.51
SHARE CAPITAL	1439.52	1439.52	1439.52	1439.52	1439.52
RESERVES & SURPLUS	12802.37	11674.87	10233.71	8836.11	8528.27
NET WORTH	14241.89	13114.39	11673.23	10275.63	9967.79
BORROWINGS	15837.66	16874.15	14996.59	15512.06	15220.85

KEY INDICATORS

DESCRIPTION	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009
EPS	8.35	11.17	6.82	2.45	2.41
BOOK VALUE PER SHARE	98.93	91.10	81.09	71.38	69.24
DEBT: EQUITY RATIO	1.11:1	1.29:1	1.29:1	1.51:1	1.53:1
NET PROFIT MARGIN %	3.92	4.43	3.37	1.85	1.83



NOTICE

The **26th Annual General Meeting** of JMT AUTO LIMITED will be held at Kala Mandir (Kala Kunj) 48, Shakespeare Sarani, Kolkata-700017 on Tuesday, the **16th day of July, 2013** at 10.00 A.M. to transact the following business: -

ORDINARY BUSINESS

Item No.1 – Adoption of Accounts

To receive, consider and adopt the Profit & Loss for the year ended 31st March, 2013 and the Balance Sheet as on that date and the reports of the Board of Directors and Auditor's thereon.

Item No. 2 – Declaration of Dividend

To declare Dividend on Equity Shares of the Company for the year ended 31st March, 2013.

Item No. 3 – Re-appointment of Sanjay Kukreja

To appoint a Director in place of Mr. Sanjay Kukreja, who retires by rotation and being eligible seeks re-appointment.

Item No. 4 – Appointment of Auditors

To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 302009E) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Remuneration Committee of the Company in consultation with the Auditors, plus reimbursement of service tax, out of pocket, traveling and lodging expenses.”

SPECIAL BUSINESS

Item No. 5 – Appointment of Mr. Harjinder Singh as a Director, liable to retire by rotation

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

“RESOLVED THAT Mr. Harjinder Singh, who was appointed as an Additional Director with effect from 1st day of June, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 27 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, including any modification or re-enactment thereof, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board (hereinafter referred to as the "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to fix, increase, alter and/or vary the remuneration and perquisites including the monetary value thereof as may be permitted or authorized in accordance with the provisions of the Companies Act, 1956, for the time being in force, provided however, that the remuneration payable to Mr. Harjinder Singh, shall be within the limits as prescribed in Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 1956 wherein in any financial year company has no profits or inadequate profit; Mr. Harjinder Singh, will be paid minimum remuneration within the ceiling limits prescribed under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Rajeev Singh Dugal, Managing Director of the Company, be and is hereby authorized, to file e-form 32 with the ROC, Kolkata, and do all other necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

**Item No. 6 – Re-appointment of Mr. Jasjit Singh Dugal, as Whole-Time Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) and re-enactment thereof for the time being in force) and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the Company be and is hereby accorded for the re-appointment of **Mr. Jasjit Singh Dugal as Whole-Time Director of the Company**, for a period of **1 (one) year with effect from April 1, 2013**, on payment of the same remuneration and other terms and conditions as approved earlier by the Shareholders on 2nd July, 2012 at the 25th Annual General meeting.”

“RESOLVED FURTHER THAT, Mr. Rajeev Singh Dugal, be and is hereby authorized to make necessary application to the Registrar of Companies and filing of statutory forms or other related documents if any required, and to do such acts and things as may be necessary in this regard.”

Item No. 7 – Re-appointment of Mr. Rajeev Singh Dugal, as Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) and re-enactment thereof for the time being in force) and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the Company be and is hereby accorded for the re-appointment of **Mr. Rajeev Singh Dugal as Managing Director of the Company**, for a period of **5 (five) years with effect from May 27, 2014**, on payment of the same remuneration and other terms and conditions as approved earlier by the Shareholders on 2nd July, 2012 at the 25th Annual General meeting.”

“RESOLVED FURTHER THAT, the Company Secretary, be and is hereby authorized to make necessary application to the Registrar of Companies and filing of statutory forms or other related documents if any required, and to do such acts and things as may be necessary in this regard.”

NOTES:

1. The Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the special business under Item Nos. 5, 6 & 7 are attached herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The instrument appointing the Proxy, in order to be effective, must be deposited at the Company's Registered Office not less than **48 hours** before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
4. Pursuant to 205A(5) and 205C of the Companies Act, 1956, Unclaimed final dividend for the year 2005-06, if any, is due for transfer to Investors' Education and Protection Fund (IEPF) established by Govt. of India on 20th July 2013. All Shareholders, whose dividend is unpaid for the year 2005-06, are requested to lodge their claim by submitting an application at the earliest date, with either of the following:
 - i. M/s C B Management Services Private Limited (RTA)
P- 22, Bondel Road, Kolkata- 700 019
 - ii. The Company-Secretary,
JMT AUTO Limited,
Corporate and Administrative Office,
C-19-20 , 7th Phase Industrial Area,
Adityapur, Jamshedpur-832109

Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.



5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, M/s. C B Management Services (P) Ltd. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and M/s. C B Management Services (P) Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. C B Management Services (P) Ltd.
6. Members may avail the facility of dematerialization by opening Depository Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get equity share certificates held by them dematerialized.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from **28.06.2013 to 16.07.2013 (both days inclusive)** for the purpose of ascertaining entitlement of Dividend.
If the Final Dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on **20th July, 2013** as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on **16th July, 2013;**
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on **16th July, 2013.**
8. **Reserve Bank of India has initiated NECS for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. C B Management Services (P) Ltd.**
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. C B Management Services (P) Ltd or at the Corporate & Administrative Office of the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents, M/s. C B Management Services (P) Ltd.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to C B Management Services (P) Ltd. for consolidation into a single folio.
12. Members/ Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting
13. **Members may please note that the Dividend Warrants are payable at par at the designated Branches of the Bank printed on the reverse of the Dividend warrants for an initial period of 3 months only and thereafter the Dividend Warrant on revalidation is payable only at limited centers/ branches. The members are therefore advised to encash Dividend Warrants within the initial validity period.**
14. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by the Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/ change in such bank details.



15. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
16. During the Year under review as required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed in the forthcoming Annual General Meeting is given below:

APPOINTMENT / RE-APPOINTMENT

Name of Director	Mr. Sanjay Kukreja	Mr. Harjinder Singh	Mr. Jasjit Singh Dugal	Mr. Rajeev Singh Dugal
Date of Birth	24.06.1977	23.12.1963	19.01.1946	06.12.1958
Date of appointment	04.02.2012	06.07.2013	09.02.2001	16.01.1997
Qualification	M.B.A	M. Com.	B. Sc.	M.B.A.
Professional Experience /Expertise	11 years of experience in business services and manufacturing verticals.	25 years of experience in the field of Finance & Accounts.	35 years of experience in machining segment of Engineering Industry.	25 years of experience in Auto-component Manufacturing Industry.
List of Companies in which Out Side Directorships held as on 31 st March, 2013	1. Titagarh Wagons Ltd 2. SpancoTelesystems and Solutions Ltd 3. Nuvo Chrys Capital Advisors P Limited 4. KPIT Cummins Info Systems Limited	1. Gurdhan Vyapaar Pvt. Ltd. 2. RSD Finance Limited	1. Omega Automotive Co. Pvt. Ltd.	1. RSD Finance Limited 2. SRP Oil Pvt. Ltd. 3. Precision Automotive Company Pvt. Ltd. 4. Prestige Equipments Pvt. Ltd. 5. PACO Allen Auto Pvt. Ltd.
Chairman of the Committees of the Board of the Companies on which he is a Director as on 31 st March, 2013	NIL	NIL	NIL	NIL
Members of the Committee of the Board Of Companies on which he is a Director as on 31 st March,2013	NIL	NIL	02	NIL
Share Holding in JMT Auto Limited as on 31 st March, 2013	NIL	NIL	2,878	13,23,626

By order of the Board of Directors

Place:- Kolkata
Date: 19.06.2013

Mona K Bahadur
Company Secretary



Dear Shareholders,

We would like to request you to please go through the below mentioned points and take action immediately to safeguard your interest.

- 1) In terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, henceforth payment of dividend will be made through ECS/NECS/NEFT etc. only.

Accordingly you are requested to send your correct bank details (including MICR No., IFSC Code, Account Type etc.) to your Depository Participant if you are holding shares in demat form.

If you are holding shares in physical form, such details along with a cancelled cheques should be sent to our Registrars at the undernoted address to enable us to credit the dividend amount directly to your Bank account.

In case of non-availability of MICR No. and IFSC Code, Dividend Warrant will be sent after printing your Bank particulars on it.

- 2) You are also requested to inform your correct Email ID to the Depositories (if shares held in demat form) and to our Registrars (if shares held in physical form) in compliance of Green Initiative as per circular dated 21.04.2011 issued by Ministry of Corporate Affairs.
- 3) The Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate.
- 4) The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Central Government Account i.e. IEPF on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.

We shall be thankful if our valued Shareholders take necessary action positively within 15 days.

However, the Shareholders, who have already taken action in respect of the above, may ignore this communication.

Thanking you,

Yours faithfully,

For JMT AUTO Limited

Mona K Bahadur

Company Secretary

Name & Address of our Registrars

C B Management Services (P) Ltd.

P – 22, Bondel Road

Kolkata – 700019



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

ITEM NO.5

The Board of Directors empowered by the terms of Article 27 of the Articles of Association of the Company and pursuant to Section 260 of the Companies Act, 1956 had appointed Mr. Harjinder Singh as an Additional Director of the Company with effect from 1st June, 2013 to handle the office and responsibilities of Director (Finance & Administration). As per Section 260 of the Companies Act, 1956, Mr. Harjinder Singh would hold office up to the date of the ensuing Annual General Meeting of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing along with a deposit of Rs. 500/- proposing the candidature of Mr. Harjinder Singh for the office of Director, liable to retire by rotation. Mr. Singh has given his consent to act as a Director of the Company, if appointed at the forthcoming Annual General Meeting.

Mr. Harjinder Singh has been associated with the Company for the last 25 years handling multiple responsibilities, ranging from Accounts & Finance, Taxes, Stock Management, dealing with Banks & Financial Institutions and liaising with Regulatory Authorities. Since 2009 he has taken up the responsibility of the Chief Financial Officer of the Company. His experience and in depth knowledge of the Company's evolution and growth over the years will undoubtedly stand him in good stead in handling the responsibilities of Director (Finance & Administration) and in assisting the Board of Directors in taking well informed decisions.

None of the Directors of the Company other than Mr. Harjinder Singh is interested or concerned in the resolution.

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

ITEM NO.6

The Members of the Company at the 22nd AGM held on August 25, 2009, re-appointed Mr. Jasjit Singh Dugal as the Executive Director of the Company by Ordinary Resolution for a period of 3 (three) years ending on March 31, 2013, on the terms and conditions mentioned in the said resolution appointing him.

The Remuneration Committee of the Company at its meeting held on July 30, 2012, recommended the re-appointment of Mr. Jasjit Singh Dugal as Whole-Time Director for a period of 1 year with effect from April, 1. The Board of Directors of the Company at its meeting held on February 8, 2013 approved the re-appointment of Mr. Jasjit Singh Dugal, subject to the approval of the Shareholders of the Company.

The profile of Mr. Jasjit Singh is part of the Annual Report.

The Remuneration and other terms & conditions of the re-appointment remains the same, and is reproduced here under for reference:

I) SALARY

In the grade of Rs. 12,000/- to 1,00,000/- with the basic Salary of Rs. 50,000/- per month, with effect from 1st July, 2011 and with the authority to the Board/ Committee thereof to fix his salary within the said maximum amount from time to time. The annual increment, effective from April 01, each year will be decided by the Board on merit and take into account Company's performance.

II) PERQUISITS AND ALLOWANCES

In addition to the salary, Mr. Jasjit Singh Dugal shall also be entitled to the following perquisites and allowances like:-

- (i) Accommodation (Furnished or otherwise) or House Rent Allowance and or house maintenance allowance in lieu thereof, together with Re-imbursment of expenses and /or allowances as may be applicable from time to time :- 30% of salary



- (ii) Medical Reimbursement /Allowance / Personal Accidental Insurance:- 25% of salary
- (iii) Education of Children,LTC/LTA/Washing and other allowances:- 30% of salary
- (iv) Electricity, gas water, and other perquisites:- 20% of salary
- (v) In accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and Mr. Jasjit Singh Dugal, subject to a maximum of 105% of the basic Salary, provided that the total Remuneration payable to Mr. Jasjit Singh Dugal as the whole time Director shall not exceed the limits stipulated under the Companies Act, 1956
- (vi) The Whole time Director shall be entitled to a provision of motor car maintained by the Company with Driver and telecommunication facilities (expanding from telephone at residence to cover broadband, internet, fax, etc. apart from the telephone at residence).
- (vii) Such remuneration by way of commission in addition to the salary and perquisites payable, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, subject to overall ceiling limits as stipulated in Section 198 and 309 of the Companies Act, 1956. The Commission payable to Mr. Jasjit Singh Dugal shall range between 50% to 100% of the annual salary as determined by the Board at the end of each financial year.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be calculated at the actual cost.

Category B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.

Gratuity payable and Encashment of leave as per rules of the Company shall not be included for the Computation of limits for the remuneration or perquisites aforesaid should not exceed half a month's salary for each completed year of service.

Note: — For the purpose of Perquisites stated in category 'A' above, "Family" means the spouse and dependent children of Mr. Jasjit Singh Dugal.

Category C

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Jasjit Singh Dugal, the Company has not made any profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 as modified from time to time.

None of the Directors of the company except Mr. Jasjit Singh Dugal is interested or concerned in the resolution.

The Board recommends resolutions under Item No. 6 to be passed as ordinary resolution.

ITEM NO. 7

The tenure of Mr. Rajeev Singh Dugal as Managing Director of the Company is about to end on 26th May, 2014 and hence the Board of Directors have recommended the extension of his tenure by a further period of five years, subject to the approval of the Shareholders at the ensuing Annual General Meeting.

The terms and conditions of his re-appointment and remuneration shall remain the same as approved by the Shareholders in the 25th Annual General Meeting held on 2nd July, 2012.



The profile of Mr. Rajeev Singh Dugal is annexed as part of the Annual Report.

The Remuneration and other terms & conditions of the re-appointment remains the same, and is reproduced here under for reference:

I) SALARY

In the grade of Rs. 1,60,000/- to 5,00,000/- with the Basic Salary of Rs. 1,80,000/- per month, with effect from 1st July, 2011 and with the authority to the Board/ Committee thereof to fix his salary within the said maximum amount from time to time. The annual increment, effective from April 01, each year will be decided by the Remuneration Committee and Board on merit and take into account Company's performance. At present the Basic Salary is Rs. 2,25,000/- per month.

II) PERQUISITS AND ALLOWANCES

In addition to the Salary, Commission or Performance linked Remuneration, Mr. Rajeev Singh Dugal shall also be entitled to the following perquisites and allowances like:-

- (i) Accommodation (Furnished or otherwise) or House Rent Allowance and/or house maintenance allowance in lieu thereof, together with Re-imbursment of expenses and /or allowances as may be applicable from time to time :-30% of salary
- (ii) MRA (Management Responsibility Allowance) :- 35% of salary
- (iii) Medical Reimbursement /Allowance / Personal Accidental Insurance:- 25% of salary
- (iv) Club Fee: - Fee of Club subject to a maximum of two clubs.
- (v) Education of Children, LTC/LTA/Washing and other allowances:-30% of salary
- (vi) Electricity, gas water, and other perquisites:-20% of salary
- (v) In accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and Mr. Rajeev Singh Dugal, subject to a maximum of 140 % of the basic Salary, provided that the total Remuneration payable to Mr. Rajeev Singh Dugal as the Managing Director shall not exceed the limits stipulated under the Companies Act, 1956
- (vi) The Managing Director shall be entitled to a provision of motor car maintained by the Company with Driver and telecommunication facilities (expanding from telephone at residence to cover broadband, internet, fax, etc. apart from the telephone at residence).
- (vii) Such remuneration by way of commission in addition to the salary and perquisites payable, calculated with reference to the net Profits of the Company in a particular financial year, as may be determined by the Board at the end of each financial year, shall be subject to overall ceiling limits as stipulated in Section 198 and 309 of the Companies Act, 1956. The commission payable to Mr. Rajeev Singh Dugal shall range between 50% to 150% of the annual salary as determined by the Board at the end of each financial year.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be calculated at the actual cost.

Category B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.

Gratuity payable and Encashment of leave as per rules of the Company shall not be included for the Computation of limits for the remuneration or perquisites aforesaid should not exceed half a month's salary for each completed year of service.



Note: — For the purpose of Perquisites stated in category 'A' above, "Family" means the spouse and dependent children of Mr. Rajeev Singh Dugal.

Category C

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Rajeev Singh Dugal, the Company has not made any profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 as modified from time to time.

None of the Directors of the company except Mr. Rajeev Singh Dugal is interested or concerned in the resolution.

The Board recommends resolutions under Item No. 7 to be passed as ordinary resolution.

By order of the Board of Directors

Place:- Kolkata
Date: 19.06.2013

Mona K Bahadur
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting their 26th Annual Report along with the Audited Results of the company for the year ended 31st March, 2013.

OPERATING AND FINANCIAL REVIEW

(Rs in Lacs)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Gross Turnover	33502.33	39252.44
Earnings before Interest, Tax & Depreciation and Amortization (EBITDA)	5601.00	6344.60
Finance Cost	1906.50	2035.17
Depreciation	2162.67	1955.71
Tax Expenses	329.75	745.27
Net Profit After Tax	1202.08	1608.45

DIVIDEND

The Board has recommended a dividend @ **5.0%** (Re 0.50 per share) for the year ended 31st March, 2013 keeping in view the moderate profit of the Company subject to the approval of the shareholders at the Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on 16th July, 2013; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners.

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

RESERVE AND SURPLUS

Reserves and surplus of the Company increased from Rs. 11674.87 lakhs in 2011-12 to Rs. 12802.37 lakhs in 2012-13. The Company has a Net worth of Rs.14241.89 as on 31st March, 2013 in comparison to Rs. 13114.39 as on 31st March, 2012.

STOCK EXCHANGE REQUIREMENTS

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

CREDIT RATING

In order to comply with BASEL – II Guidelines your Company has got the rating done by M/s ICRA LIMITED.

CREDIT RATING AGENCY	LONG TERM/ MEDIUM TERM BANK FACILITIES	SHORT TERM BANK FACILITIES
ICRA	[ICRA] BBB/Stable	[ICRA]A3+

**FIXED DEPOSITS**

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

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

As required by Pollution control laws, the Company has already submitted Environmental Statement for the FY 2012-13 to the State Pollution Control Board.

The Company maintaining its commitment towards according priority to Environment, Occupational Health and Safety has decided to develop the industrial culture as per norms of ISO 14001/2004 and OHSAS 18001/2009, which is totally focused on environment.

- > Management has planted 50 plants this year in and around the various work units.
- > 3 machines for oil separation from scrap boring have been installed.
- > Turbo Ventilator which runs without power has been installed.
- > Waste water management and Rain water harvesting systems are in place.

DIRECTORS RESPONSIBILITY STATEMENT

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

1. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profits for the year ended on that date.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts have been prepared on a going concern basis.

DIRECTORS

Mr. Sanjay Kukreja, Director of the company, who retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

Mr. Harjinder Singh, presently holding the office of Additional Director (Finance & Administration) cum CFO of the company, has been proposed by one of the members, to be appointed as Director, subject to approval of the shareholders at the forthcoming Annual General Meeting.

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

AUDITORS

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

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

The Notes forming part of the Financial Statements are self-explanatory and do not call for any further comments.



CORPORATE GOVERNANCE

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

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

RELATED PARTIES

Note No. 36 to the Notes to Financial Statement of the Accounts sets out the nature of transactions with the related parties. Transactions with the Related Parties are carried out at the arm's length. The details of such transactions are placed before the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Maintaining the spirit of giving back to the society the Company has contributed to many philanthropic activities like numerous blood donation camps in collaboration with the Red Cross Society, donating money and clothes to the poor and needy, spreading education among the low privileged section of the society, planting trees across all its units.

ENVIRONMENT, HEALTH AND SAFETY

The Company has made significant efforts towards conservation of environment, by proposing to set up its new Automated Press Forging Plant. This is a green initiative taken up by the Company, since the proposed plant will consume less power and emanate negligible heat. The Automated Press Forging is done at ambient temperature and because of their extreme dimensional precision and fine surface finish they often need little or no further machining. This will considerably reduce the environmental impact and enhance the productivity of the Company's forging unit.

Other eco-friendly initiatives undertaken by the Company include planting more trees in and around the Work units, creating new gardens, Rain Water Harvesting, usage of transparent sheets for natural sunlight inside the plant, use of turbo ventilators for ventilation purpose and for minimizing the carbon footprints, use of propane gas in the heat treatment plants for reducing the carbon emissions, minimizing effluents through better monitoring and corrective measures, reduction of quantum of input material, whether it is steel, or usage of inert gases for welding through Value Analysis/Value Engineering activities.

All statutory safety norms are diligently followed by the Company. Safety is accorded prime importance in the organization. Each plant has Safety Committee to oversee the safety of the workforce through ensuring safe working conditions and well informed and duly trained workers. Safety audits and evacuation drills are conducted regularly and all staff members are encouraged to take part in the same. Training for the awareness of the employees are conducted at regular intervals.

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

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of report.

As required under Section 217(2) of the Companies Act, 1956, the Board of Directors informs the shareholders that during the period under review, no changes have occurred in the nature of the Company's business or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

Information in accordance with the provisions of section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is as under:

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

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

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

EMPLOYEE STOCK OPTIONS

Pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the details of stock options as on March 31, 2013 under the "JMT ESOP Plan- 2012" are set out as **Annexure-II** to this Report.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed review of operations, performance and future outlook of the Company is given separately as **Annexure-III**, under the head "Management Discussion and Analysis Report" and forms a part of this report.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Jamshedpur
Date: 24.05.2013

Rajeev Singh Dugal
Chairman-cum-Managing Director



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE - I

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

CONSERVATION OF ENERGY

Conservation of energy has been a way of work ethics of the Company. Optimum utilization of energy intensive machines, procurement of energy efficient technologies etc is done as part of energy conservation measures. All measures have resulted in cost savings for the Company. Company has made constant efforts to conserve energy and natural resources and reduce consumption of Power, Fuel, Oil, Water and other energy sources by following strict adherence to:

1. Using optimum lighting fixtures in administrative areas.
2. Installation of Auto Power Cut-Off for electrical energy consumption.
3. Energy saving in utility by proper machine planning.
4. Close monitoring of fuel consumption.
5. Emphasis on non-conventional energy sources.
6. Proper training to the employees and workforce to ensure minimum wastage of energy and natural resources.

FORM A

(A) Power and Fuel Consumption

1. Electricity		Current Year	Previous Year
Purchase units (KWH) (Fig. In Lakhs):		491.82	489.46
Total Amount (Rs.) (Fig. In Lakhs)		2365.49	2274.60
Average Cost per Unit (Rs.)		4.81	4.65
2. (a) Furnace Oil		Current Year	Previous Year
Quantity (Litre) (Fig. In Lakhs)		8.82	10.43
Total Cost (Rs.) (Fig. In Lakhs)		403.21	401.08
Average Cost per Litre (Rs.)		45.72	38.45
(b) Propane Gas		Current Year	Previous Year
Quantity (K.G.) (Fig. In Lakhs)		14.06	21.53
Total Cost (Rs.) (Fig. In Lakhs)		873.66	1119.49
Average Cost per K.G. (Rs.)		62.14	52.00
(c) Others / Internal Generation		Current Year	Previous Year
Units (KWH) (Fig. In Lakhs)		7.62	13.74
Units/Litre of Diesel Oil (KWH)		3.12	3.13
Average Cost per unit. (Rs.)		13.95	11.87

**(B) Consumption per unit of production** (In Rs.)

Product	Current Year	Previous Year
Electricity (KWH)	2.74	2.31
Furnace Oil (Litre)	0.05	0.05
Propane Gas (K.G.)	0.08	0.10

FORM B**I. Research and Development**

- Developed special processes like Short Peening, Dry Honing, QPQ and Moly Coating.
- Better fixtures developed for heat treatment.

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

- New Business avenues opened as a result of the above mentioned developments.
- Improvement in output of Heat Treatment furnaces.

III. Future plan for action :

- Utilise SAP for analyzing usage of tools and toolings.
- Improve product output by using new generation tools.
- Enter Export market of different range of precision machined products.

IV. Expenditure on R & D :

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

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

- Company is striving towards meeting international standards of precision and product quality to remain ahead in a sustainable manner. Significant measures have been taken to improve productivity through better utilization of the machines, systematic plant layout, procuring highly skilled work force, improving precision machining and forging units.
- Saving on power consumption by taking up higher batch sizes for product manufacturing. Using better statistical tools for continuous process improvement to achieve the targeted 100 % waste elimination.
- Addition of new machines, improved methods and better technologies to enhance the productivity of Forging unit as well as other units. Green initiative by way of Automated Press Forging is also one of the major efforts made by the company in this direction.



2. Benefits derived as a result of the above efforts:

- Significant reduction in consumption of raw material and energy.
- Optimization of batch sizes has brought down cost of production.
- Operational efficiency has increased leading to lesser rejections and wastages.

3. Imported Technology:

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

(C) Sales comprises of total value of export including Deemed Export of Rs. 842.53 Lakhs (previous year Rs.1279.45 Lakhs). During the year 2012-13, total value of export was Rs. 6056.80 Lakhs (previous year Rs. 6201.97 Lakhs).

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports, initiatives to increase exports, development of new export markets for products and services and export plans:
The Company has taken initiative to export in the Global market and its product has been well accepted.
2. Total Foreign Exchange used and earned:

(Rs. in lakhs)

	Current Year	Previous Year
a. Earning (Value of Export):	5214.27	4922.52
b. Expenditure:	11.44	1.04

For and on behalf of the Board of Directors

Place: Jamshedpur
Date: 24.05.2013

Rajeev Singh Dugal
Chairman-cum-Managing Director

**ANNEXURE II****ESOP DISCLOSURE IN DIRECTORS' REPORT**

**Details of Employee Stock Option Plan 2012 for the year ended March 31, 2013
(As per Clause 12 of SEBI (ESOS and ESPS) Guidelines, 1999)**

1. Total No. of Options granted

A total of 4,00,000 equity shares equivalent to 2.78% of the total paid-up share capital has been earmarked for ESOP 2012. During the year 2,10,000 options have been granted to employees. Cumulatively, till March 31, 2013, 2,10,000 options, have been granted to various employees/Independent Directors of the Company.

2. Outstanding No of options as on April 1, 2013

As on April 1, 2013, a total of 2,10,000 valid options were outstanding, which has been granted to the employees.

3. Pricing formula

The exercise price is determined based on the closing price of the Equity Shares of the Company on one of the days out of seven days prior to the date of grant of the options by the Remuneration Committee, on the stock exchange with which the Company's shares are listed and on which the maximum volume of shares of the Company are traded that day. The closing price of 27th July, 2012 as on National Stock Exchange Limited was taken to fix the price of the option. The price has been determined in accordance with SEBI (ESOS and ESPS) Guidelines, 1999.

4. Options vested

Under the above mentioned Scheme, 'Nil' options were vested till March 31, 2013. The vesting period is 24 months from the date of grant.

5. Options exercised

NA, since the options vested till 31.03.2013, is Nil.

6. Total number of options lapsed/forfeited/cancelled as on March 31, 2013

'Nil' options have been cancelled till March 31, 2013.

7. Total number of Equity shares arising due to exercise of options

As on March 31, 2013, 'Nil' equity shares would arise due to exercise of the options granted under the scheme (since nil options have vested till 31.03.2013)

8. Variation of terms of options

No variations have been made to the terms of the options with respect to the original grant.

9. Money realized by exercise of options

As "Nil" options have vested till date, so 'nil' options have been exercised and hence no money has been realized till date.

10. Total number of options in force

2,10,000 valid options were in force on March 31, 2013.

11. Vesting Schedule

Subject to the right of Remuneration Committee to, in its absolute discretion, alter the vesting date for an employee or class of employees, 100% of the options will vest in the grantees at the end of 24 months from the date of grant i.e. 01.08.2012. The date of vesting will be 31.07.2014 for the whole of 2,10,000 options granted to the selected employees and Independent Directors.

12. Lock-in:

There shall be no lock-in after the options have been vested.

13. Person wise details of options granted to:

a) Senior Managerial Personnel, during the year –



Name	Designation	Department	No of Options Granted
G.S. Golan	General Manager	Administration	3000
Guru Pratap Singh	General Manager	Production	5000
Bhupender Singh	Sr. General Manager	Q. A.	5000
Dipankar Nandy	Sr. General Manager	Mechanical Maint.	3000
Appla Acharya	Sr. General Manager	Development, TDC	5000
Mona K Bahadur	Company-secretary	Corporate	3000
Ravinder Singh Dugal	President	Business Devlpmnt.	5000
Harjinder Singh	CFO	Accounts / Finance	10000
Malkeet Singh Saini	Independent Director		10000
Sushil Kumar Khowala	Independent Director		10000

b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year – Nil.

c) Employees getting options more than 1% of issued Equity Share Capital, during the year - Nil.

14. Diluted Earnings per Share (EPS)

Diluted EPS, pursuant to issue of shares on exercise of option calculated in accordance with AS-20 is Rs. 8.23. Refer Note 38 to Financial Statement.

15. Employee compensation cost

The Company has calculated its Employee Compensation Cost on Intrinsic Value Method and the cost is 9.06 lacs for the year. However, the Compensation Cost, if computed on fair value basis (as per Black Scholes Model) is Rs. (25.34) lacs for the year.

16. Impact on profits of the Company and on the EPS arising due to the difference of the fair value of the Stock Options over the intrinsic value of the Stock Options for the Financial Year ended March 31, 2013

Impact on Profit: Rs. 16.28 Lacs

Impact on EPS: Rs. 0.12 per share

Under the above mentioned scheme, the exercise price of the options granted on August 1, 2012 is Rs. 40.00. The fair value of each option, as calculated using the Black Scholes Option Valuation Model is Rs. 36.30 only.

17. Option valuation methodology

The Company has used Intrinsic Value Method; however, for estimating the fair value of the options granted, Black Scholes Option Valuation Model has been used.

17.1 Risk free interest rate

The risk free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the option based on the zero coupon yield curve for Government securities as on date of grant.

17.2 Expected life

A two year vesting schedule applies on all the options granted to the employees. Thus, 100% of the options granted would vest on the completion of 24 months from the grant date.

17.3 Expected volatility

Volatility is calculated based on the daily volatility of the stock prices on Nifty, over a period of one year prior to the date of grant.

17.4 Expected dividends

Dividend @ 5% has been proposed for the year ended 31.03.2013 by the Board of Directors, to be approved by the Shareholders.

17.5 Price of underlying share at time of grant of option

The market price of the shares at the time of grant of options on August 1, 2012 was Rs. 53.00.

18. Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock: NA

For and on behalf of the Board of Directors

Place: Jamshedpur
Date: 24.05.2013

Rajeev Singh Dugal
Chairman-cum-Managing Director

**ANNEXURE III****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****GLOBAL SCENARIO**

The global auto component industry experienced moderate growth over the last five years and is expected to continue its growth momentum reaching approximately \$730.8 billion in 2017 with a CAGR of 3.2% over next five years (2012-2017). The global auto component industry is a highly diversified sector that involves engine and auto component manufacturers; including after-market parts manufacturers, suppliers, dealers, and retailers. The manufacturing of auto components is gradually shifting toward Asian countries such as China, India, and others because of higher market potential and the low-cost manufacturing options available. In China and India, OEMs are focused on helping the suppliers improve and grow their businesses.

The growing importance of electronics and functional integration of green components and sustainable products will drive growth in the industry. The industry is transforming and the boost in demand is expected to give rise to several new players in the industry.

The major challenges for the industry are searching qualified employees, managing rising costs while staying competitive on price, and expanding product portfolios. Substantial investment in capacity expansion, increasing after-market demand, and sales and revival in global auto production with strong recovery in vehicle sales are anticipated to expand the industry's footprint.

INDIAN AUTO COMPONENT INDUSTRY

The year 2012 has been a tough year for the overall Indian Auto Industry. Despite several new launches in the passenger vehicle segment, there has been a significant slowdown in this segment which can be attributed to several factors ranging for rising oil prices, high inflation and overall pessimism about the Indian economy.

The auto component sector, which has attracted a lot of attention from global players and investors over the last few years also showed signs of slowing down as the OEMs and several export markets struggled in 2012 with their own problems.

Still the auto sector is fundamentally robust and well positioned, and 2013 is likely to bring a fresh wave of growth to the various sub-sectors within the auto industry.

The Indian auto component industry is expected to reach a turnover worth US\$ 113 billion by 2020-21 from US\$ 43.4 billion in 2011-12, according to Automotive Component Manufacturers Association (ACMA) report titled, 'Auto Component Industry in India: Growing Capabilities & Strengths'. The exports from the industry are expected to grow at a compound annual growth rate (CAGR) of 17 per cent during 2012-21.

The Indian automobile and auto component industry can be expected to surpass China's growth path by 2021, according to a research report by Espirito Santo Securities.

India: The Global Auto Hub

The amount of cumulative foreign direct investment (FDI) inflow into the automobile industry during April 2000 to January 2013 was worth US\$ 8,061 million, accounting to 4 per cent of the total FDI inflows (in terms of US\$), as per data published by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce.

Key Developments and Investments

Supportive government policies, positive business environment, availability of reasonably priced talented workforce and stable outlook for the industry has made India a global hub for the international manufacturers to set up their facilities in the country. The auto components manufacturers are also reaping the benefits.



Government Initiatives

Government focus on measures to encourage the Micro, Small and Medium enterprises (MSMEs) is a positive step. The incentives enjoyed by MSMEs would continue undiminished for the next three years should they outgrow their limits, is a step in the right direction. Further setting up of additional Tool Rooms and Technology Development Centers will encourage technology development and absorption in the MSMEs.

Budget 2013-14: Mixed Bag

The Union Budget 2013-14 is likely to have a minimal impact on the domestic auto sector, considering that excise duties have remained largely unchanged, and macro-economic parameters continue to weigh down sales, according to India Ratings.

The increase in customs duty on imported luxury cars to 100% from 75% would channelise the demand towards locally assembled luxury models and be positive for the domestic industry.

While increase in tax of imported Completely Built Units (CBU) is likely to promote domestic auto manufacturers, hike in excise duty on sports utility vehicle from 27 percent to 30 percent was completely unanticipated.

Road Ahead

The vision of Automotive Mission Plan (AMP - 2006-16) aims India to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of US\$ 145 billion accounting for more than 10 per cent of the gross domestic product (GDP) and to provide additional employment to 25 million people by 2016.

The rapid improvement in infrastructure, huge domestic market, increasing purchasing power, established financial market and stable corporate governance framework have made India a favourable destination for investment by global OEMs. This will open a huge space for growth of the Indian Auto component industry.

Source: ACMA: Press Release-2013

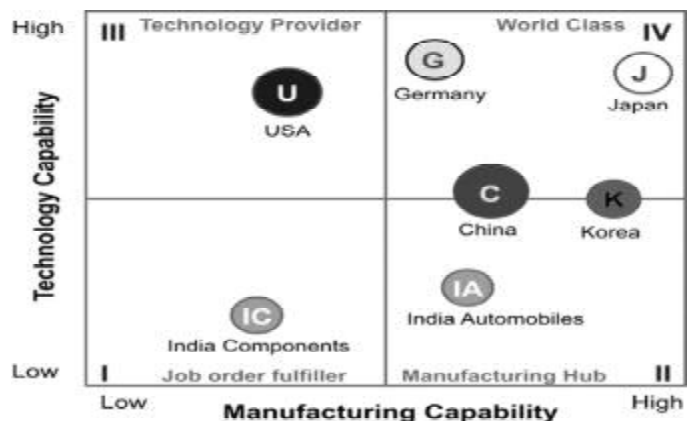
References: Media Reports, Press Releases, Automotive Component Manufacturers Association of India (ACMA) publication

CHALLENGES & OPPORTUNITIES

In the fast changing global scenario, the auto component industry in India faces many challenges. Some of the major challenges include:

- Infrastructure Deficit
- Talent Crunch
- Scaling-Up the industry
- Access to World-class Technology and Quality Practices
- Remaining cost competitive
- Access to and availability of cost-effective capital
- Trade Policy

While the industry worldwide is moving towards a distinct tier-based structure, with OEMs as assemblers and the Tier I suppliers taking a lead role as system integrators, the Indian component industry is yet to come up in terms of the technical capability required for aligning itself with the global trend. While the situation of low and slowly





improving technological competitiveness of the players and industry can be partly attributed to strategic gaps in macro policies and their implementation, the gaps in firms may also be the root cause.

At a policy level, the whole focus of the Indian automotive industry has been to develop it as a manufacturing hub till a few years back. Absence of strong in-house R&D efforts and efforts to enhance absorptive capacity provides some insight as to why companies in India have really not moved very far on the technology capability dimension.

Top leadership involvement is very crucial for any strategic change and the same is required for technology capability development in the auto component industry in India. Companies need to evolve and execute strategies to build dynamic capabilities on technology management and other related fronts to catch-up with their counterparts in the developed world. STM deployment can be more successful if technology capability is a focus area for the firms alongside technology acquisition, which can be achieved by enhancing 'absorptive capacity' and by working steadily on 'in-house technology development'

OPPORTUNITIES

- ▶ Establish Partners/JV for
 - Engine & Exhaust parts
 - Auto Electronics & Electrical
 - Transmission & Steering
 - Informatics & Telematics
 - New Material
 - Simulation Technology
- ▶ Collaboration for Manufacturing Excellence and Process Design
- ▶ Production Sharing in India & Europe for a Holistic Service Capability
- ▶ Partnering for Global Requirements
- ▶ Merger & Acquisition

Source: 1. AutotechReview :Dr TAPAN SAHOO, VP, Maruti Suzuki India Limited

2. ACMA: Status-Indian-Auto-Industry

**FINANCIAL PERFORMANCE OF THE COMPANY****JMT AUTO LTD. - THE YEAR IN BRIEF****FINANCIAL OVERVIEWS****Gross Turnover**

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

Rs. in Lacs

TURNOVER	Q1	Q2	Q3	Q4	FY
	(ending on 30.06.2012)	(ending on 30.09.2012)	(ending on 31.12.2012)	(ending on 31.03.2013)	2012-13
DOMESTIC	7200.07	7118.96	6651.07	6304.59	27274.69
EXPORT (Including Third Party Export)	1595.25	1497.43	1429.89	1596.11	6118.68
Export Incentive	43.75	37.63	27.54	0.04	108.96
Total Turnover	8839.07	8654.02	8108.50	7900.74	33502.33

Your Company has achieved a Gross Turnover (including Excise Duty & Sales Tax) of Rs. 349.00 crores in the F.Y. 2012-13, which has gone down approximately by 16% from the last year's corresponding turnover of Rs. 410.00 crores.

SEGMENT-WISE PERFORMANCE

The company's sales primarily to domestic automobile component segment, however also has a share in the export segment during the year under review. The company achieved domestic sales of Rs. 287.71 crores as against Rs. 313.67 crores in the previous year and export sales of Rs. 52.18 crores as against Rs. 49.77 crores in the previous year.

RESERVE & SURPLUS

The Company's Reserve & Surplus has increased by approximately 10% from Rs 116.74 crore in the F.Y. 2011-12 to Rs. 128.02 crore in the F.Y. 2012-13.

ENVIRONMENT CONSERVATION

The Company puts in lot of efforts in conserving the natural environment around its operations and its engineers are also developing many innovative practices in protecting and preserving valuable natural resources. Technology is being used fully to minimize the pollution levels at all its manufacturing divisions also. Substantial investments have been done to conserve and recycle precious water at these locations and the company is totally committed to its policy of environmental protection.

INFRASTRUCURAL & TECHNOLOGY UPGRADATION

The company continues its tradition of constant up gradation of technology to improve its performance and enhance customer satisfaction. Another eco-friendly measure and green initiative in the pipeline is the proposed installation of the Automated Press Forging Plant. International Finance Corporation, a member of the World Bank has sanctioned USD 9 million for the proposed project.

The Company fortified with the CAPEX of 9 million USD sanctioned by IFC, World Bank, for the Automated Press Forging Plant coupled with its better Export-Oriented-Strategies expects a high rate of growth in the forthcoming years.

SWOT ANALYSIS**STRENGTHS**

- Engaged in sectors having high barriers to entry. Globally cost competitive
- Adheres to strict quality controls
- Adoption or access to latest technology
- Independent & integrated manufacturing Facilities
- Largest facility of heat treatment in East India



- Access to a wide variety of products in the precision machining
- Proximity to raw materials
- Trained & skilled manpower

WEAKNESSES

- Low research and development capability
- Exposed to cyclical downturns
- Dependent on global majors for technology
- Huge working capital requirement

OPPORTUNITIES

- Sourcing hub for global automobile majors
- Export opportunities are realized through diversification of export basket
- Cost reduction opportunities
- Decreasing interest rates in foreseeable future

THREATS

- Presence of a large counterfeit components market poses a significant threat
- Technological capability not enough to match global standards
- Surging raw material prices putting pressure on profit margin
- Slowdown in global economy affecting exports
- Players losing bargaining power with larger OEMs
- Increasing rivalry among players with numerous small firms targeting the same customer segments
- FTAs signed with other developing countries increasing bulk imports of cheaper auto components

INTERNAL CONTROL SYSTEMS

JMT AUTO Limited has a proper and adequate system of internal controls in place so that all assets are safeguarded and protected against loss from unauthorized use or disposition. Proper systems of verification and that transaction are authorized, recorded and reported quickly.

- The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures
- The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets
- Accurate recording of transactions with internal checks and prompt reporting
- Adherence to applicable Accounting standards and policies
- Compliance with applicable statues, policies, listing requirements, management policies and procedures

CAUTIONARY STATEMENT

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

Place: Jamshedpur
Date: 24.05.2013

Rajeev Singh Dugal
Chairman-cum-Managing Director



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13

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

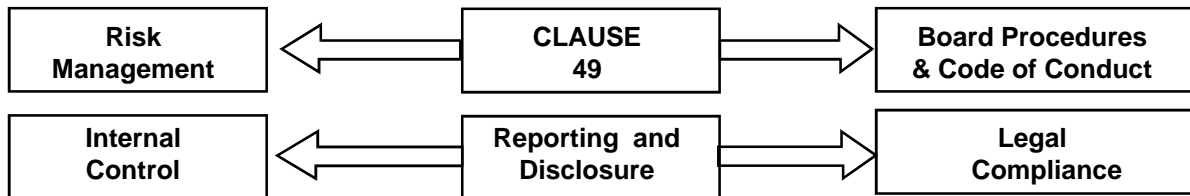
JMT'S GOVERNANCE POLICY:

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

- Ethical and disciplined corporate Behavior
- Independent and considered judgment
- Parity between accountability and responsibility
- Transparency and effective and adequate disclosures

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

1. Code of Conduct and Ethics for Directors and Senior Management
2. Improving quality and frequency of information flow to the Board, Audit Committee to enable them to discharge their functions effectively
3. A sound system of risk management and internal control
4. Transparency and accountability
5. Compliance with all rules and regulations
6. Sound policy on prevention of Insider Trading
7. Develop processes for various disclosure and reporting requirements



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

BOARD OF DIRECTORS

COMPOSITION

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's ordinary shares are listed. The Composition of the Board as on March 31, 2013 was as under:

Category of Directors	Number of Directors	Percentage of the Board
Promoter / Executive (Including Managing Director)	2	40%
Independent / Non-Executive	3	60%



None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees (as per Clause 49(l)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

The Company's philosophy is to maintain an optimum combination of Executive and Non-Executive Directors.

The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other public companies and committees across various public companies of which the Director is a member / chairman are given below:

Name of the Director	Designation	Status & Category	No. of Board Meetings attended during 2012-13	Attendance at last AGM	No. of outside Directorship	Committee position - Member	Committee Position Chairman
Mr. Rajeev Singh Dugal	Chairman-cum-Managing Director	Executive	05	Yes	06	Nil	Nil
Mr. Jasjit Singh Dugal	Whole-Time Director	Executive	05	Yes	01	03	Nil
Mr. Sushil Kumar Khowala	Director	Independent -Non-Executive	05	Yes	02	03	03
Mr. Malkeet Singh Saini	Director	Independent -Non-Executive	05	Yes	02	06	03
Mr. Sanjay Kukreja	Director	Independent -Non-Executive	Nil	No	04	Nil	Nil

The Present Board as on 31.03.2013 comprises five members. Two of the members are Executive Directors (ED) and three members are Independent Directors, who have no business and/or professional relationship with the Company. The Non-Executive Directors with their diverse knowledge, experience and expertise bring independent judgment in the deliberations and decisions of the Board. There is no Nominee or Institutional Director on the Board of the Company.

PROFILE OF DIRECTORS ON BOARD

Mr. Rajeev Singh Dugal, the main promoter of the JMT Auto Limited is the present Chairman-cum-Managing Director of the company. He has been leading the company since its inception in 1987. He did his MBA from XLRI in 1985 and then took up the challenge of going into CNC technology when automobile Industry was looking at a major transformation from conventional technology. Has 25 years of experience in the Auto Component manufacturing industry and his vision has brought him to be recognized as one of the upcoming entrepreneurs of Eastern India. On the social front, Mr. Dugal serves as a very active member on the Board of CII and local manufacturers Associations. His commitment to social responsibilities is further reflected by his support as a member of Rotary Club and other philanthropic activities.

He holds directorship of five other Companies, namely RSD Finance Limited, SRP Oil Private Limited, Precision Automotive Company Private Limited, Prestige Equipments Private Limited and PACO Allen Auto Private Limited.

He does not hold the membership or chairmanship of any of the committees of the Board of JMT Auto Limited.

He holds 13,23,626 equity shares of the Company in his name as on March 31, 2013.



Mr. Jasjit Singh Dugal, appointed as Director of the Company since February, 2001, is presently acting as Whole Time Director of the Company. He is also a member of Audit Committee and Shareholder Grievances Committee of the Company. He has over 35 years of experience in machining segment of Engineering Industry with vast knowledge in machining. Apart from this Company he also is the Director of Omega Automotive Co. (P) Ltd.

He holds 2,878 equity shares of the Company in his name as on March 31, 2013.

Mr. Sushil Kumar Khowala has been on the Board of JMT in the capacity of Non-Executive Independent Director since January 20, 2003 and he is also Chairman of Audit, Remuneration and Shareholder Grievances Committee of the Company. He is a member of the "The Institute of Chartered Accountants of India" and has over 20 years of Industrial Expertise in different areas of Audit, Corporate Law & Taxation.

He does not hold any shares of the Company in his name as on March 31, 2013.

Mr. Malkeet Singh Saini has been on the Board of JMT in the capacity of Non-Executive Independent Director since 20th October, 2008 and he is also a member of Audit, Remuneration and Shareholder Grievances Committee of the Company. He is B.A (Hons) and L.L.B from Ranchi University and is a lawyer by profession. He has over 33 years of experience in different fields of law.

He does not hold any shares of the Company in his name as on March 31, 2013.

Mr. Sanjay Kukreja has been on Board of the Company since 4th of February, 2012. He was appointed as the Additional Director by the Board and continued so till the Annual general meeting of the Company was held. Thereafter he was appointed as an Independent Director with the approval of the Shareholders. He has over 12 years of experience in manufacturing verticals and expertise in Financial and Investment matters. He holds directorship of four other companies namely, Titagarh Wagons Limited, Magical Methods School Solutions P Limited, Nuvo Chrys Capital Advisors P Limited and KPIT Cummins Info Systems Limited.

He does not hold any shares of the Company in his name as on March 31, 2013.

BOARD AGENDA

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

BOARD MEETINGS HELD

The Company's Corporate Governance Policy requires the Board to meet at least four times in a year.

The Board met 5 (five times) on the following dates during the Financial Year 2012-13.

25th May, 2012	8th February, 2013
30th July, 2012	23rd March, 2013
7th November, 2012	

The intervening period between two Board meetings was well within the maximum time gap of four months prescribed under clause 49 of the Listing Agreement

COMMITTEES OF THE BOARD

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



AUDIT COMMITTEE

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

COMPOSITION

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

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

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

DUTIES AND RESPONSIBILITIES

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

POWERS

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

ACTIVITIES

(I) DOCUMENTS/ REPORTS REVIEW

- The Committee at the meetings reviews the Quarterly/Annual Financial Statements.
- It reviews the regular internal reports to the management prepared by the Internal Auditors including significant findings and follow-up actions and also management's response.
- Discusses with the Statutory Auditors before the commencement of Audit, the nature and scope of Audit, and also post audit discussion to ascertain areas of concern.
- Reviews the disclosure of Company's financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviews with the management the Quarterly/Annual financial statements before submission to the Board focusing primarily on:-



- a) Any changes in accounting policies and practices.
 - b) Major accounting entries.
 - c) Significant adjustments arising out of audit.
 - d) Compliance with Accounting Standards.
 - e) Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - f) Any related party transactions.
- ▶ Reviews the Company's financial and risk management policies.
 - ▶ Reviews the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 1956.

II. STATUTORY AUDITORS

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

III. FINANCIAL REPORTING PROCESS

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

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

The Audit Committee met 4 (four times) on the following dates during the Financial Year 2012-13.

25th May, 2012 7th November, 2012
 30th July, 2012 8th February, 2013

- ▶ The Attendance of each member of the committee is given below.

Members	Category of Director	No. of Meetings Attended
Mr. Sushil Kumar Khowala	Non-Executive Independent Director	04
Mr. Malkeet Singh Saini	Non-Executive Independent Director	04
Mr. Jasjit Singh Dugal	Whole-Time Director	04

Apart from the members of the Committee, the Audit Committee meetings were attended by the Chief Financial Officer, Divisional Manager, Senior Manager, Finance and Company Secretary.

REMUNERATION COMMITTEE

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



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

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

COMPOSITION

The Remuneration Committee comprises of:

1. Mr. Sushil Kumar Khowala Non-Executive Independent Director
2. Mr. Malkeet Singh Saini Non-Executive Independent Director
3. Mr. Sanjay Kukreja Non-Executive Independent Director

Two meetings of the Remuneration Committee were held during the year on 25.05.2012 & 30.07.2012. The attendance of each member of the committee is given below.

Members	No. of Meetings Attended
Mr. Sushil Kumar Khowala	02
Mr. Malkeet Singh Saini	02
Mr. Sanjay Kukreja	Nil

REMUNERATION POLICY

The Company follows a market linked remuneration policy, which is aimed at attracting and retaining the best talent. Compensation is also linked to individual and team performance as they support the achievement of corporate goals. The Company has introduced an Employee’s Stock Option Plan for the Employees with an aim to develop loyalty and trust amongst them. The Remuneration Committee has after due deliberation formulated the JMT ESOP PLAN-2012, which was duly implemented in the month of July-August, 2012.

Remuneration Committee of the Board has approved the Employee Stock Option Scheme of the Company titled “The JMT Auto Employee Stock Option Plan 2012 (JMT ESOP Plan - 2012)” covering a maximum of 4,00,000 (Four Lacs Only) options to be granted in one or more tranches to eligible employees and directors of the Company and its future subsidiary companies from time to time.

REMUNERATION TO DIRECTORS

DETAILS OF REMUNERATION PAID TO ALL DIRECTORS IN THE FINANCIAL YEAR 2012-13

DIRECTOR	SITTING FEES (Rs.)	SALARY & PERQUISITES (Rs.)	TOTAL (Rs.)
Mr. Rajeev Singh Dugal, Managing Director	N.A	6,501,840.00	6,501,840.00
Mr. Jasjit Singh Dugal, Executive Director	N.A	1,200,000.00	1,200,000.00
Mr. Sushil Kumar Khowala, Independent Non-Executive Director	33,000.00	N.A	33,000.00
Mr. Malkeet Sigh Saini Independent Non-Executive Director	33,000.00	N.A	33,000.00
Mr. Sanjay Kukreja Independent Non-Executive Director	N.A	N.A	NIL
GRAND TOTAL	66,000.00	7,701,840.00	7,767,840.00



There are no stock options available /issued to any of the Promoter-Directors of the Company and this does not form a part of their contract with the Company. Stock options under the ESOP-2012 have been granted to the Independent and Non-Promoter Directors. The Non-Executive Independent Directors of the Company namely Mr. Sushil Kumar Khowala, Mr. Malkeet Singh Saini and Mr. Sanjay Kukreja do not hold any shares of the company as on 31.03.2013.

JMT ESOP PLAN-2012

With a view to (i) To attract, motivate and retain high performers for ensuring long-term growth and success of the company; (ii) Reward the performance of the Eligible Persons who have excelled in performance with equity ownership; (iii) To encourage a sense of involvement and mutuality of interest by aligning the interests of the company and its employees and; (iv) Motivate senior employees to drive Company performance, the Company decided to issue ESOPs. The Remuneration Committee formulated an Employee Stock Option Scheme in the Company titled "The JMT ESOPs Plan 2012" by the creation and issue of 4,00,000 (Four Lacs only) Stock Options each of which would upon exercise be converted into one Equity Share of Rs. 10 each of the Company (the "Equity Shares")

The Committee decided on the Basis/Criteria for deciding the eligibility of the Employees, finalized the list of Employees and granted the options on 01.08.2012.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholder's Grievance Committee comprises of:

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

Mr. Sushil Kumar Khowala, Non-Executive Independent Director of the company is the Chairman of the Committee. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities of the Company. The Committee also looks into redressal of shareholders' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

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

COMPLIANCE OFFICER

During the financial year 2012-2013, Mr. Nimesh Anand was the Compliance Officer for complying with the requirements of the SEBI (Prohibition of Insider trading) Regulations, 1992 and the Listing Agreement with the Stock Exchanges in India however after his resignation from the post on 14th day of January 2013, Ms. Mona K Bahadur joined the organization from 14th January, 2013 to act in his place as the Compliance officer.

STATUS OF COMPLAINTS FOR THE PERIOD 2012-2013

1.	Number of complaints received from the investors comprising of Non-receipt of Dividend Warrants, Non-Receipt of Securities sent for transfer /transmission. Complaints received from SEBI etc.	32
2.	Number of complaints resolved	31
3.	Number of complaints not resolved to the satisfaction of the investors as on 31 st March, 2013	Nil
4.	Complaints Pending as on 31 st March, 2013	01
5.	Number of share transfer pending for approval as on 31 st March, 2013	Nil



During the year ended 31st March, 2013, the Shareholder's Grievance Committee held 7 (Seven) meetings on 02.05.2012, 04.06.2012, 05.07.2012, 05.11.2012, 05.12.2012, 12.01.2013, 30.03.2013 and the same was duly approved by the members of the committee.

DISCLOSURES

- Materially significant related party transactions, which may have potential conflicts with the interests of the Company at large. – **None, except for the transactions specified in Note 36 to the Financial Statement.**
- Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/ Statutory Authorities on any matter related to capital markets during the last three years.- **None**
- Pecuniary relationships or transactions with Non-Executive Directors.- **None**

COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Statutory Auditors of the Company M/s Deloitte Haskin & Sells confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms part of the Annual Report.

CEO & CFO CERTIFICATION

The Chairman and Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Certificate is annexed hereto and forms part of the Annual Report.

CODE OF CONDUCT

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

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained affirmation from all the members of the Board and Senior Management that they have complied with the Code of Business Conduct and ethics for Directors and Senior Management in respect of the financial year 2012-13.

GENERAL BODY MEETINGS

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

YEAR	AGM/EGM	LOCATION	DATE
2009-2010	AGM	The Golden park 13, Ho-Chi Minh Sarani Kolkata-700 073	29.07.2010
2010-2011	AGM	Kalakunj Auditorium, Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	14.07.2011
2011-2012	AGM	Kalakunj Auditorium, Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	02.07.2012



No Postal Ballot was conducted during the year. None of the Resolutions proposed at the ensuing Annual General Meeting is proposed to be passed by Postal Ballot.

SPECIAL RESOLUTIONS PASSED IN THE LAST 3 AGM'S

- Re-appointment of Mr. Rajeev Singh Dugal as the Managing Director of the company.
- Re-appointment of Mr. Jasjit Singh Dugal as the Whole-Time Director of the company.
- Amendment of Articles of Association to enable the formulation and implementation of Employee Stock Option Scheme.
- Approval of ESOP Plan-2012 by the Shareholders of the Company.

MEANS OF COMMUNICATION

- The Company publishes as per the Listing Agreement, the quarterly results in two widely circulated newspapers from Kolkata, namely:

English Newspaper: Business Standard/ the Financial Express.

Bengali Newspaper: Kalantar

- Shareholding pattern and Quarterly Financial Results are accessible on NSE and BSE website.
- Presentations were also made to the analysts, institutional investors, fund managers etc. as per need basis.
- Management's Discussions & Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

GENERAL SHAREHOLDERS' INFORMATION

(i)	AGM date, Time and Venue	Tuesday, 16 th July, 2013 at 10.00 A.M. at Kala Kunj Auditorium, Kala Mandir, 48, Shakespeare Sarani, Kolkata-700 017.
(ii)	As required under clause 49 IV (G), particulars of Directors seeking appointment/ reappointment are annexed to the notice of the Annual General Meeting to be held on Tuesday, 16 th July, 2013.	
(iii)	Financial Year	The Financial year of the company is from April 1 to March 31, each year.
(iv)	Key Financial Reporting Dates for the year 2013-14 <ol style="list-style-type: none"> 1. For the quarter ending June 30, 2013 2. For the quarter ending Sept 30, 2013 3. For the quarter ending Dec 31, 2013 4. For the year ending March 31, 2014 	<p>On or before 14.08.2013</p> <p>On or before 14.11.2013</p> <p>On or before 14.02. 2014</p> <p>On or before 30.05. 2014</p>
(v)	Date of Book Closure	<i>The Share Transfer Books and the Register of Members shall remain closed from 28.06.2013 to 16.07.2013 (both days inclusive). Notice to this effect has been sent to all Stock Exchanges where the shares of the company are listed as per the Listing Agreement.</i>
(vi)	Dividend Payment Date	On 20th July, 2013

**LISTING ON STOCK EXCHANGE****A. Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001

B. National Stock Exchange of India Ltd.

Exchange Plaza, Bandra-Kurla Complex
Bandra East
Mumbai-400051.

Stock code: Trading Symbol-

BSE : **JMT Auto -513691**

NSE : **JMT AUTO LIMITED**

Series : **EQ**

International Security Identification
No. (ISIN) in NSDL and CDSL

INE 988E01010

The listing fees for the year 2013 -14 have been paid to the above Stock Exchanges in time as per the listing Agreement.

The Company has paid custodial fees for the year 2013-2014 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them as on 31st March, 2013.

CREDIT RATING

CREDIT RATING AGENCY

ICRA

LONG TERM/ MEDIUM TERM BANK FACILITIES

[ICRA] BBB

SHORT TERM BANK FACILITIES

[ICRA] A3+

MARKET INFORMATION:**BOMBAY STOCK EXCHANGE LIMITED**

High, Low (based on closing prices) and average volume and average number of trades during each month in last financial year 2012-13.

MONTH	Bombay Stock Exchange			National Stock Exchange		
	HIGH (Rs.)	LOW (Rs.)	VOLUME OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	VOLUME OF SHARES TRADED
APRIL, 2012	61.00	53.35	9,465	57.46	54.66	14,874
MAY, 2012	59.80	52.05	7,082	56.29	54.73	9,569
JUNE, 2012	63.95	48.65	98,989	58.05	54.14	16,487
JULY, 2012	60.25	51.55	15,508	56.97	54.18	14,006
AUGUST, 2012	58.90	50.20	10,214	54.84	52.30	6,883
SEPTEMBER, 2012	58.20	51.20	16,955	54.97	52.78	64,756
OCTOBER, 2012	58.85	50.10	51,730	55.05	52.35	1,11,285



NOVEMBER, 2012	56.65	47.80	13,814	52.70	50.83	37,809
DECEMBER, 2012	53.85	44.55	29,972	49.01	46.98	75,984
JANUARY, 2013	93.00	46.50	7,77,381	63.72	58.86	20,16,496
FEBRUARY, 2013	97.00	85.25	53,474	93.57	89.56	2,21,364
MARCH, 2013	108.00	85.70	47,685	97.09	91.42	1,46,427

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

The Distribution of Shareholding as on 31st March, 2013 is as follows:-

RANGE OF SHARES	SHARES	FOLIOS	% SHARES	% FOLIOS
1-500	861922	7343	5.9876	96.0623
501-1000	130967	150	0.9098	1.9623
1001-2000	86343	56	0.5998	0.7326
2001-3000	67638	26	0.4699	0.3401
3001-4000	42401	12	0.2945	0.1570
4001-5000	80173	17	0.5569	0.2224
5001-10000	72573	10	0.5041	0.1308
10001-50000	320503	16	2.2265	0.2093
50001-100000	409051	6	2.8416	0.0785
ABOVE 100000	12323633	8	85.6093	0.1047
TOTAL	14395204	7644	100.00	100.00

REGISTRAR AND SHARE TRANSFER AGENTS

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

C B Management Services Pvt. Ltd.
P- 22, Bondel Road
Kolkata – 700 019

Telephone: 033-40116722/40116726

Fax: (033) 2287 0263

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

SHARE TRANSFER SYSTEM

Shares lodged for transfer at the Registrar's address are normally processed within 15 days, from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. Grievances received from members and other miscellaneous correspondence regarding change of address, mandates, etc. are processed by the Registrars within 7 days.

**SHAREHOLDERS' SERVICES, ENQUIRIES & COMPLAINTS:**

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

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

SHAREHOLDING PATTERN

The shareholding pattern in the Company as on 31st March, 2013

CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
A. PROMOTERS HOLDING		
1. INDIAN		
Individuals/HUF	1326504	9.21
Bodies Corporate	6051354	42.04
Sub-Total	7377858	51.25
2. FOREIGN	0	0
Total Shareholding of Promoter & Promoter Group	7377858	51.25
B. PUBLIC SHAREHOLDING		
1. Institutions		
Mutual Funds and UTI	800	0.01
Foreign Institutional Investors		
2. Non-Institutions		
a. Bodies Corporate	1083854	7.53
b. Individuals		
Holding nominal share capital up to Rs.1 lac	1191467	8.28
Holding nominal share capital in excess of Rs.1 lac	239251	1.66
c. Any other		
Non-resident Indians	85232	0.59
Foreign Bodies Corporate/ OCB	4387491	30.48
Clearing Members	29251	0.20
Sub –Total	7017346	48.75
C. Shares held by custodians & against which Depository receipts have been issued	-	-
GRAND TOTAL	14395204	100.00

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

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

The Company's shares are traded in the depository systems of both NSDL and CDSL. As on 31st March, 2013, 95.24 % of the equity capital exists under the electronic form. The equity shares of the Company are actively traded on BSE and NSE.

PLANT'S LOCATIONS

The Company has the following manufacturing and operating divisions:

Sl. No.	Work Unit Description	Location /Address
(i)	Works (Unit – I)	A-20, Phase-1 Industrial Area, Adityapur Jamshedpur-832109
(ii)	Works (Unit – II & III)	C-19 & 20, D-2-3, D-8-12, NS-29-34, 7 th Phase, Industrial Area, Adityapur Jamshedpur-832109.
(iii)	Works (Unit – IV) (Foundry)	Notandih, Kandra Chauka Main Road, Dist: Seraikela, Kharsawan
(iv)	Works (Unit – V) (Forging)	A-45, A-46, A-47, A-48(P) & M-2 At Large Sector, Gamharia.
(v)	Works (Unit – VI)	NS-57, 7 th Phase, Industrial Area, Adityapur, Jamshedpur- 832109
(vi)	Works (Unit – VII) Lucknow	Village – Naubasta, Kalan, Lucknow, On Line Mark (Deva to Naubasta Marg) Uttar Pradesh
(vii)	Work (Unit – III) Dharwad	1. Plot No. 222, KIADB, Belur Industrial Growth Centre, Dharwad-580011, Karnataka 2. Plot No. 224-A, KIADB, Belur Industrial Growth Centre, Dharwad – 580 011, Karnataka 3. Block No. 2, KIADB, Belur Industrial Estate, Garag Road, Mummigatti, Dharwad – 580 007, Karnataka

INVESTORS' CORRESPONDENCE

For transfer of shares and communication regarding share certificates, dividends and change of address and any other queries relating to the shares of the Company.

- (i) JMT Auto Limited
224, A.J.C. Bose Road, Krishna Building,
9th Floor, Room No.902, Kolkata-700017
Phone No. 033- 66121033.



- (ii) Company-Secretary
JMT AUTO LIMITED
C-19 & 20, 7th Phase, Industrial Area
Adityapur, Jamshedpur- 832109
Phone No. : (0657) 662 6340
Fax : (0657) 2200 749
E-mail : **jmt.cs@jmtauto.com**

- (iii) Registrar & Share Transfer Agent
C B Management Services Pvt. Ltd.
P- 22, Bondel Road
Kolkata – 700 019
Telephone: 2280 6692-93-94/2486/2937
2282 3236-37-38 & 3643
Fax : (033) 2287 0263
E-mail : **rt@cbmsl.com**
tkb.official@gmail.com

TRANSFER OF UNPAID /UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the Financial year 2012-13, unpaid / unclaimed dividend for the year 2004-05 amounting to Rupees Three lacs seventy seven thousand three hundred eighty eight only (Rs. 3,77,388.00 only) was transferred to the Investor Education and Protection Fund established by Central Government pursuant to Section 205 C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

Further in the year 2013-14 also amount remaining unclaimed and unpaid for a period of seven years from the date they become due for payment is required to be transferred to Investor Education and Protection Fund and no claim shall lie against the Fund or the Company in respect of individual amounts which are transferred to Investor Education and Protection Fund. In view of this, the members are requested to claim the amount belonging to them, lying in the Unpaid Dividend accounts by making a request addressing to:

- 1.) M/s C.B. Management Services (P) Limited
Registrar and Share transfer Agents
P-22, Bondel Road
Kolkata-7000019

Or
- 2.) Company-Secretary
JMT AUTO LIMITED
C-19 & 20, 7th Phase, Industrial Area
Adityapur, Jamshedpur- 832109
Phone No. : (0657) 662 6340
Fax : (0657) 2200 749
E-mail : **jmt.cs@jmtauto.com**

**DATES FOR TRANSFER OF UNPAID DIVIDEND TO IEPF**

Year	Nature of Dividend	Date of Declaration	Date after which Unpaid amount be transferred to IEPF within 30 days
2005-06	Final	20 th July, 2006	20 th July, 2013
2006-07	Final	25 th August, 2007	25 th August, 2014
2007-08	Final	12 th September, 2008	12 th September, 2015
2008-09	Final	25 th August, 2009	25 th August, 2016
2009-10	Final	29 th July, 2010	29 th July, 2017
2010-11	Final	14 th July, 2011	14 th July, 2018
2011-12	Final	2 nd July, 2012	2 nd July, 2019

SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

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

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

By order of the Board of Directors

Place: Jamshedpur
Date: 24.05.2013

Mona K Bahadur
Company Secretary



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

To,

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

Dear Sirs,

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge, belief and information:
 - i) These statements do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge, belief and information no transactions entered into by the Company during the financial year 2012-13 are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and that we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in the internal control during the year
 - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (e) We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board members and senior management personnel have affirmed compliance to Code of Conduct for the year 2012-13.

Place: - Jamshedpur
Date: 24.05.2013

For **JMT AUTO LIMITED**

Harjinder Singh
Chief Financial Officer

Rajeev Singh Dugal
Chairman-cum-Managing Director



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE

To the Members of JMT Auto Limited

We have examined the compliance of conditions of Corporate Governance by JMT Auto Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange.

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

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

We further state that such compliance is neither an assurance as to the future viability of JMT Auto Ltd. nor the efficiency with which the Management has conducted the affairs of the Company.

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

A. Bhattacharya
Partner
(Membership No. 054110)

Place : Jamshedpur
Date : 24.05.2013



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JMT AUTO LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and



- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm Registration No. 302009E)

A. Bhattacharya

(Partner)

(Membership No. 054110)

Jamshedpur, May 24, 2013



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (vi), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.



- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management needs to be strengthened to make it commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable
 - (c) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Registration No.302009E)

A.Bhattacharya

Partner

(Membership No. 054110)

Jamshedpur, May 24, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(All Amounts in Rs. Lakhs, unless stated otherwise)

	Note	As at 31.03.2013	As at 31.03.2012
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	1,439.52	1,439.52
(b) Reserves and Surplus	04	12,802.37	11,674.87
		14,241.89	13,114.39
(2) Non-Current Liabilities			
(a) Long Term Borrowings	05	6,176.51	6,036.65
(b) Deferred Tax Liabilities (net)	06	2,366.86	2,037.11
(c) Long-Term Provisions	07	62.05	39.92
		8,605.42	8,113.68
(3) Current Liabilities			
(a) Short-Term Borrowings	08	7,101.22	9,076.82
(b) Trade Payables	09	3,886.88	6,065.10
(c) Other Current Liabilities	10	2,925.43	2,239.51
(d) Short-Term Provisions	11	337.99	261.05
		14,251.52	17,642.48
TOTAL		37,098.83	38,870.55
(II) ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	12A	21,264.75	20,936.96
(ii) Intangible Assets	12B	52.17	11.99
(iii) Capital Work-in-Progress		163.09	727.55
		21,480.01	21,676.50
(b) Non-Current Investments	13	6.15	1.15
(c) Long-Term Loans and Advances	14	1,169.31	829.64
(d) Other non-current assets	15	90.52	-
		22,745.99	22,507.29
(2) Current assets			
(a) Inventories	16	9,570.16	10,309.59
(b) Trade Receivables	17	3,698.65	4,309.03
(c) Cash and Cash Equivalents	18	152.26	523.73
(d) Short-Term Loans and Advances	19	868.97	1,171.12
(e) Other Current Assets	20	62.80	49.79
		14,352.84	16,363.26
TOTAL		37,098.83	38,870.55

The Notes referred to above form an integral part of the Financial Statements
In terms of our report attached

On Behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Rajeev Singh Dugal
Chairman

Jasjit Singh Dugal
Executive Director

A. Bhattacharya
Partner

Harjinder Singh
Chief Financial Officer

Mona K Bahadur
Company Secretary

Jamshedpur, May 24, 2013

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013**

(All Amounts in Rs. Lakhs, unless stated otherwise)

	Note	Year Ended 31.03.2013	Year Ended 31.03.2012
I			
Revenue from Operations (gross)	23	33,502.33	39,252.44
Less: Excise Duty		2,817.68	2,907.85
Revenue from Operations (net)		30,684.65	36,344.59
II			
Other Income	24	1,368.96	658.83
III Total Revenue (I + II)		32,053.61	37,003.42
IV EXPENSES			
(a) Cost of Materials Consumed	25	12,611.18	15,897.65
(b) Changes in Inventories of Finished Goods and Work in Progress	26	442.36	(16.64)
(c) Employee Benefits Expense	27	1,430.11	1,236.47
(d) Finance Costs	28	1,906.50	2,035.17
(e) Depreciation and Amortization Expense	12A		
	12B	2,162.67	1,955.71
(f) Other Expenses	29	11,968.96	13,541.34
Total Expenses (IV)		30,521.78	34,649.70
V Profit Before Tax (III - IV)		1,531.83	2,353.72
VI Tax Expense			
(1) Current Tax		306.15	569.14
Less: MAT Credit Entitlement		(306.15)	-
(2) Deferred Tax		329.75	176.13
Total tax expense		329.75	745.27
VII Profit for the Year (V - VI)		1,202.08	1,608.45
VIII Earnings per Equity Share:			
(1) Basic	38	8.35	11.17
(2) Diluted	38	8.23	11.17

The Notes referred to above form an integral part of the Financial Statements
In terms of our report attached

On Behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Rajeev Singh Dugal
Chairman

Jasjit Singh Dugal
Executive Director

A. Bhattacharya
Partner

Harjinder Singh
Chief Financial Officer

Mona K Bahadur
Company Secretary

Jamshedpur, May 24, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(All Amounts in Rs. Lakhs, unless stated otherwise)

	Year Ended 31.03.2013	Year Ended 31.03.2012
A. Cash Flow from Operating activities:		
Profit Before Tax	1,531.83	2,353.72
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,162.67	1,955.71
Mark to market (M to M) loss on derivative contracts	109.75	-
Finance costs (Other than M to M Loss)	1,796.75	2,035.17
Bad Debts written off	129.93	391.22
Advances written off	12.79	-
Interest income	(26.88)	(29.31)
Unrealised exchange loss gain	(104.72)	(120.49)
Loss on Disposal of Fixed Assets	0.37	0.17
Employee stock option expense	9.06	-
Liabilities no longer required written back	(6.45)	(19.62)
Operating profit/(loss) before working capital changes	5,615.10	6,566.57
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	739.44	187.55
Trade receivables	496.92	(1,322.60)
Short-term loans and advances	302.15	170.58
Long-term loans and advances	(80.08)	(203.19)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	(2,166.90)	637.67
Other current liabilities	28.22	(2.81)
Short-term provisions	(0.05)	(3.22)
Long-term provisions	22.13	(18.72)
Cash from operations	4,956.93	6,011.83
Direct taxes (paid)	(255.26)	(493.47)
Net cash from operating activities	4,701.67	5,518.36
B. Cash Flow from Investing activities:		
Purchase of fixed assets	(2,095.20)	(5,213.64)
Sale of fixed assets	3.63	3.60
Purchase/sale of Investments	(5.00)	-
Fixed Deposit placed with banks having original maturity over three months	(40.64)	(133.18)
Fixed Deposit placed with banks matured having original maturity over three months	64.34	162.99
Interest received from investments / agencies (Bank etc.)	42.14	25.12
Net cash (used in) investing activities	(2,030.73)	(5,155.11)
C. Cash Flow from Financing activities:		
Proceeds from long term borrowings	3,566.03	6,798.27
Repayment of long term borrowings	(2,543.54)	(6,024.99)
Proceeds from short term borrowings	17,000.00	8,400.00
Repayment of short term borrowings	(16,200.00)	(8,500.00)
Net (decrease)/increase in overdraft/cash credit facilities	(2,775.60)	1,249.99
Finance costs paid	(1,898.19)	(2,076.59)
Dividend Paid (Including Corporate Dividend Tax)	(167.41)	(84.21)
Net cash (used in) financing activities	(3,018.71)	(237.53)
Net (decrease)/ increase in cash and cash equivalents	(347.77)	125.72
Cash and cash equivalents as at start of the year	427.12	301.40
Cash and cash equivalents as at end of the year	79.35	427.12
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 18)	152.26	523.73
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts	72.91	96.61
- original maturity more than 3 months		
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	79.35	427.12
Notes:		
1. Includes cash on hand and balance in current accounts with banks		
2. Figures in brackets represent outflows		

In terms our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Rajeev Singh Dugal
Chairman

Harjinder Singh
Chief Financial Officer

On Behalf of the Board of Directors

Jasjit Singh Dugal
Executive Director

Mona K Bahadur
Company Secretary

Jamshedpur, May 24, 2013



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

1. Corporate Information

JMT Auto Limited incorporated as Public Limited Company is into the business of manufacturing of Auto Components. The core competency of the Company is into manufacturing of Gear and Transmission parts. The Manufacturing facilities are located in Jamshedpur, Jharkhand and Dharwad, Karnataka. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

2. Summary of significant accounting policies

Basis of accounting and preparation of financial statements and use of estimate

2.1 The financial statements are prepared under historical cost convention on going concern and on accrual basis and are in compliance with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

2.2 The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Revenue Recognition

Sales of goods

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

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

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

Sale of Services

Revenue from sale of services recognised on basis of completion of service

Other income

Interest income is accounted on accrual basis.

2.4 Fixed Asset (Tangible and Intangible)

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

2.5 Depreciation

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

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

c) Intangible assets are amortised over their estimated useful life as follows:

Software- 5 Years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.6 Foreign Currency Transaction

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

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

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



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Derivative Contracts:

Derivative contracts entered by the Company in the nature of Options and Swaps which are not intended to hedge its existing assets and liabilities are marked-to-market on a portfolio basis and losses, if any, are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence. The same is in compliance with the announcement of the Institute of Chartered Accountants of India dated March 20, 2008 on accounting of derivatives.

2.7 Government grants, subsidies and export incentives

Government grants:

- a) Government grants in the nature of promoters' contribution are credited to Capital Reserve.
- b) Government grants related to fixed assets are adjusted with the value of fixed assets/ credited to capital reserve.
- c) Government grants related to revenue items are adjusted with the related expenditure/ taken on income.

Export Incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.8 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in production in inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Work-in-progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished Goods includes Excise Duty and is determined on a weighted average basis estimated costs necessary to make the sale.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

2.9 Investment

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.10 Retirement Benefits

(a) Short term benefits

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

(b) Post Employment Benefit plans :

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

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

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

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



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

2.11 Income Taxes

- (a) Tax expense comprises of Current and Deferred Tax. Current Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.
- (b) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the Financial Statements. Deferred tax assets are reviewed at each Balance Sheet date to reassess realization.
- (c) Minimum Alternative Tax (MAT) Credit Entitlement available under provision of Section 115JB of the Income Tax Act 1961 is recognised to the extent that there is convincing evidence that the Company will pay normal income tax during the specified future period. Management reviews the carrying amount of MAT credit entitlement at each balance sheet date and write down the carrying amount to the extent that there is no longer convincing evidence that the Company will pay normal income tax during the specified future period.

2.12 Borrowing Cost

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

2.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.14 Impairment of Asset

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

2.15 Provisions and Contingent Liabilities and Contingent Assets

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

2.16 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.17 Stock based Compensation:

Employee Stock Option Plans ("ESOPs"):

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company's shares on the date of the grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised uniformly over the vesting period of the options.



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

03 Share Capital

	As at 31.03.2013	As at 31.03.2012
(a) Authorised:		
15,000,000 (31.03.2012: 15,000,000) Equity Shares of Rs. 10 each	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>

(b) Issued, Subscribed and Fully Paid up:		
14,395,204 (31.03.2012: 14,395,204) Equity Shares of Rs. 10 each	1,439.52	1,439.52
Refer Notes (i) to (iv) below		

	As at 31.03.2013	As at 31.03.2012
3 (i) Reconciliation of number of Equity Shares		
Balance as at the beginning of the year	14,395,204.00	14,395,204.00
Balance as at the end of the year	<u>14,395,204.00</u>	<u>14,395,204.00</u>

3. (ii) Rights, preferences and restrictions attached to shares		
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		

	As at 31.03.2013		As at 31.03.2012	
Name of the Share holders	No. of Shares held	% of Holding	No. of Shares held	% of Holding
RSD Finance Limited	5,197,100.00	36.10%	5,195,101.00	36.09%
Bach Limited	4,387,491.00	30.48%	4,387,491.00	30.48%
Rajeev Singh Dugal	1,323,626.00	9.19%	1,319,521.00	9.17%

	As at 31.03.2013	As at 31.03.2012
Particulars	No. of Shares	No. of Shares
JMT Auto Employee Stock Option Plan 2012	400,000.00	-

04 Reserves and Surplus

	As at 31.03.2013	As at 31.03.2012
Capital Reserve	<u>525.50</u>	<u>525.50</u>
(at the beginning and end of the year)		
Securities Premium Account	<u>4,198.21</u>	<u>4,198.21</u>
(at the beginning and end of the year)		
Employee Stock Options Outstanding (Refer note 40)		
i) Employees Stock Options Outstanding		
Balance as per last Balance Sheet	-	-
Add: Options granted during the year	27.30	-
Balance as at the year end (A)	<u>27.30</u>	-
ii) Deferred Employees Stock Options Cost		
Balance as per last Balance Sheet	-	-
Add: Options granted during the year	27.30	-
Less: Amortised during the year	<u>9.06</u>	-

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

Balance as at the year end (B)	18.24	-
(A-B)	9.06	-
General Reserve (at the beginning and end of the year)	1,097.94	1,097.94
Surplus in the Statement of Profit and Loss		
Opening Balance	5,853.22	4,412.06
Add: Profit for the year	1,202.08	1,608.45
Less:		
Proposed Dividend on Equity Shares for the year	71.97	143.95
Tax on proposed equity dividend	11.67	23.34
Closing Balance	6,971.66	5,853.22
Total Reserve and Surplus	12,802.37	11,674.87

05 Long Term Borrowings

	As at 31.03.2013	As at 31.03.2012
I. Secured		
Term Loans		
(1) From Banks		
i) State Bank Of India (SBI) * (1)	1,889.88	140.00
ii) IDBI Bank Limited (IDBI) * (1)	1,065.53	2,029.97
iii) Bank of India (BOI) * (2)	990.64	1,413.60
iv) HDFC Bank Limited (3)	4.22	3.69
(2) From Others		
-Tractors and Farm Equipment Limited (TAFE) (4)	110.92	277.60
- L&T Finance Ltd (5)	1,035.00	1,150.00
- Tata Capital Limited * (5)	1,080.00	720.00
- Tata Motors Finance Limited (TMF) (3)	0.32	1.79
Total Secured Borrowings	6,176.51	5,736.65
II. Unsecured		
Loan from related party		
(1) RSD Finance Ltd	-	300.00
Total Unsecured Borrowings	-	300.00
Total Long Term Borrowings	6,176.51	6,036.65

Notes:

1. Term Loans from Banks (SBI and IDBI) are secured by a first pari passu charge over entire fixed assets of the Company both present and future except for the assets exclusively financed out of the loans from other banks and others along with second pari passu charge on entire current assets of the Company.

Term Loan from SBI are covered by irrevocable and unconditional corporate guarantee of M/s. RSD Finance Limited and M/s Precision Automotive Co. Pvt. Ltd (Group Companies).

Loans from SBI are repayable in quarterly instalments (ranging between 1 and 34) with effect from 1st April, 2012 and carrying variable rate of interest, presently ranging between 12.70% and 13.35%.

Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

Loans from IDBI are repayable in quarterly instalments (ranging between 16 and 18) with effect from 1st April, 2010 and carrying variable rate of interest, presently ranging between 13.00% and 13.50%.

2. Term Loan from Banks (BOI) are secured by First pari passu charge on Plant & Machinery Purchased out of Bank of India Finance and 2nd Paripassu charge on the remaining Block of assets of the Company.

Loan is repayable in 20 quarterly instalments from 30th September, 2012 and carrying variable rate of interest, presently at 13.00%.

3. Loans from HDFC Bank Limited and TMF are secured by way of hypothecation on the Vehicles financed by them.

Loan from HDFC Bank Limited is repayable in 36 monthly instalments commenced from 7th December, 2010 and carrying fixed rate of interest of 10%.

Loan from TMF is repayable in 36 monthly instalments commenced from 7th August, 2011 and carrying fixed rate of interest of 13.5%

4. Term Loan from Others (Tractors and Farm Equipment Limited) is secured by hypothecation of certain Machineries.

Loans are repayable in 36 quarterly instalments commenced from 1st October, 2011 and carrying fixed rate of interest of 10%.

5. Term Loans from L&T Finance Ltd is secured by a first pari passu charge over moveable and immoveable fixed assets of the Company both present and future. Term Loan from Tata Capital is secured by 1st paripassu charge with other banks/FIs on entire Fixed assets of the Company but excluding the assets specifically charges / proposed charged to other Banks or Financial Institutions. Further the above Term Loan from Tata Capital Ltd is covered by irrevocable and unconditional corporate guarantee of M/s. RSD Finance Limited and M/s Precision Automotive Co. Pvt. Ltd (Group Companies).

Loan from L&T Finance are repayable in 24 quarterly instalments commencing from 13th May, 2013 and carrying fixed rate of interest of 13%.

Loan from Tata Capital is repayable in 18 quarterly instalments commenced from 15th December, 2012 and carrying variable rate of interest, presently at 13.50%.

* The loans are also covered by the personal guarantee of a Director of the Company

06 Deferred Tax Liabilities (net)

	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liability		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,423.00	2,050.89
Gross Deferred Tax Liability	2,423.00	2,050.89
Deferred Tax Asset		
Provision for Gratuity	11.09	7.34
Provision for Compensated absence	9.44	6.44
Mark to Market (M to M) Loss on Derivative Contract	35.61	
Gross Deferred Tax Asset	56.14	13.78
Total (Net)	2,366.86	2,037.11

07 Long-Term Provisions

	As at 31.03.2013	As at 31.03.2012
(a) Provision for employee benefits		
(i) Gratuity	34.17	21.94
(ii) Compensated Absences	27.88	17.98
Total Long-Term Provisions	62.05	39.92

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

08 Short Term Borrowings

		As at 31.03.2013	As at 31.03.2012
I. Secured			
Loan Repayable on Demand From Banks			
(1)	State Bank of India*		
	i) Cash Credit	974.09	-
(2)	IDBI Bank Limited *		
	i) Cash Credit	30.74	1,296.14
	ii) Pre Shipment Credit Facility (PCFC)	1,628.78	507.38
	iii) Short Tem Loan	1,300.00	500.00
(3)	Bank of India (BOI) *		
	i) Cash Credit	277.65	2,780.98
(4)	Axis Bank *		
	i) Cash Credit	189.96	275.52
	ii) Working Capital Demand Loan	2,700.00	2,700.00
Total Secured Borrowings		7,101.22	8,060.02
II. Unsecured			
Loan Repayable on Demand From Bank			
(1)	HDFC Bank		
	i) Pre Shipment Credit Facility(In Foreign Currency)	-	1,016.80
Total Unsecured Borrowings		-	1,016.80
Total Short Term Borrowings		7,101.22	9,076.82

Notes:

- All the above facilities from SBI are secured by first pari passu charges on all current assets and second pari passu charge on entire fixed asset of the Company, both present and future.
- All the above facilities from IDBI are secured by first pari passu charges on all current assets and second pari passu charge on entire fixed asset of the Company, both present and future.
- Working capital facilities from BOI are secured by first pari passu charge on entire current assets of the Company both present and future and second pari passu charge on the remaining block of assets.
- Working Capital facilities from Axis Bank Ltd are secured by first pari passu charge on all the current assets of the company and second pari passu charge on all the fixed assets, present and future, of the company.

Further the above facilities from BOI and Axis Bank are covered by irrevocable and unconditional corporate guarantee of M/s. RSD Finance Limited and M/s Precision Automotive Co. Pvt. Ltd (Group Companies).

* The loans are also covered by the personal guarantee of a Director of the Company

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

09 Trade payables

	As at 31.03.2013	As at 31.03.2012
Trade Payables		
Acceptances	1,237.25	649.42
Other than Acceptances	2,649.63	5,415.68
Total Trade Payables	3,886.88	6,065.10

- (i) Acceptances includes Rs. 489.62 lakhs and Rs. 747.63 lakhs (31.03.12 Rs. 545.26 lakhs and Rs. 104.16 lakhs) discounted from SIDBI and IDBI bank limited respectively.
- (ii) The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

10 Other Current Liabilities

	As at 31.03.2013	As at 31.03.2012
(a) Current maturities of long-term debt (Refer note 5)	2,559.93	1,760.68
(b) Interest accrued and not due on borrowings	34.63	29.45
(c) Interest accrued and due on borrowings	51.64	39.46
(d) Unpaid dividends *	18.14	18.25
(e) Advances received from customers	10.82	25.42
(f) Other Payable		
i). Statutory Dues (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	59.31	37.88
ii). Payables on purchase of fixed assets	128.51	287.31
iii). Other credit balances **	62.45	41.06
Total Other current liabilities	2,925.43	2,239.51

* There are no amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

** Other Credit balance includes :

Particulars	As at 31.03.2013	As at 31.03.2012
Excise Duty Payable on Closing Finished Stock	50.66	41.06
Forward Rupee Payable	11.79	-

11 Short-Term Provisions

	As at 31.03.2013	As at 31.03.2012
(a) Provision for employee benefits		
(i) Compensated Absences	1.23	1.27
(b) Provision for Taxes	143.37	92.48
(Net of advance tax Rs 1073.84 Lakhs (As at 31 March 2012 Rs 818.57 Lakhs)		
(c) Proposed Dividends	71.97	143.95
(d) Provision for Corporate Tax On Dividend	11.67	23.35
(e) Provision for mark to market loss on Principal Only Swap (Refer Note 31.2)	109.75	-
Total Provisions	337.99	261.05



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

12A Tangible Assets

	Gross Block - at Cost			Depreciation / Amortisation			Net Block			
	Gross Block as at April 1, 2012	Additions	Deletions/ Adjustments	Gross Block as at March 31, 2013	Accumulated Depreciation / Amortisation as at April 1, 2012	Depreciation / Amortisation for the year	Deletions/ Adjustments	Accumulated Depreciation / Amortisation as at March 31, 2013	Net book value as at March 31, 2013	Net book value as at March 31, 2012
Own Assets										
Leasehold Land	170.11	-	-	170.11	16.54	1.72	-	18.26	151.85	153.57
Freehold Land	248.94	-	-	248.94	-	-	-	-	248.94	248.94
Building	5,445.39	100.76	-	5,546.15	887.44	180.43	-	1,067.87	4,478.28	4,557.95
Plant and Machinery	27,082.30	2,318.69	2.48	29,398.51	11,338.54	1,910.78	0.34	13,248.98	16,149.53	15,743.76
Furniture and Fittings	202.96	7.22	-	210.18	94.10	12.68	-	106.78	103.40	108.86
Vehicles	91.42	6.56	4.22	93.76	45.78	7.40	2.36	50.82	42.94	45.64
Office Equipments	115.39	24.19	-	139.58	65.36	17.68	-	83.04	56.54	50.03
Computers	170.89	30.36	-	201.25	154.23	13.75	-	167.98	33.27	16.66
Total	33,527.40	2,487.78	6.70	36,008.48	12,601.99	2,144.44	2.70	14,743.73	21,264.75	20,925.41
Previous Year	28,396.97	5,139.67	9.24	33,527.40	10,664.12	1,943.34	5.47	12,601.99	20,925.41	

12B Intangible Assets

Computer Software - Acquired	65.20	46.89	-	112.09	41.69	18.23	-	59.92	52.17	23.51
Total	65.20	46.89	-	112.09	41.69	18.23	-	59.92	52.17	23.51
Previous Year	53.68	11.52	-	65.20	29.32	12.37	-	41.69	23.51	

Note:

- (i) Freehold land includes Land amounting to Rs 12.65 Lakhs held in the name of individual directors in view of the constraints of local legislation.
- (ii) Legal formalities relating to conveyance of building and Freehold Land having book value (Gross) of Rs 46.98 Lakhs and 14.12 Lakhs respectively (March 31, 2012 : Rs 46.98 Lakhs and 14.12 Lakhs) are pending completion.



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

13 Non-Current Investments

Trade Unquoted Equity Investments other than Subsidiary	As at 31.03.2013	As at 31.03.2012
Nicco Jubilee Park Limited		
10,000 (As at 31 March, 2012: 1,0000) equity shares of Rs 10 each fully paid up	1.00	1.00
Less: Provision for other than temporary diminution	<u>(1.00)</u>	<u>(1.00)</u>
Jaimex International Private Limited	-	-
10,000 (As at 31 March, 2012: 1,0000) equity shares of Rs 10 each fully paid up	1.00	1.00
Less: Provision for other than temporary diminution	<u>(1.00)</u>	<u>(1.00)</u>
Adityapur Auto Cluster	-	-
600 (As at 31 March, 2012: 100) equity shares of Rs 1,000 each fully paid up	6.00	1.00
Other Investments		
Government and Trust Securities		
National Savings Certificate	<u>0.15</u>	<u>0.15</u>
	<u>6.15</u>	<u>1.15</u>
Aggregate amount of unquoted investments	8.15	3.15
Aggregate provision for diminution in value of investments	2.00	2.00

14 Long-Term Loans and Advances

	As at 31.03.2013	As at 31.03.2012
Loans and advances (Unsecured, considered good)		
(a) Capital advances	318.77	365.33
(b) Security deposits	537.02	456.94
(c) Other loans and advances		
(i) MAT Credit Entitlement	306.15	-
(ii) Advance Tax net of provision Rs NIL (As at 31 March, 2012 Rs Nil)	7.37	7.37
Total Loans and advances	<u>1,169.31</u>	<u>829.64</u>

15 Other Non-Current Assets

	As at 31.03.2013	As at 31.03.2012
Unamortised long-term loan issue expenses	<u>90.52</u>	-
Total Non-Current Assets	<u>90.52</u>	-

16 Inventories

	As at 31.03.2013	As at 31.03.2012
(a) Raw materials (At or under cost) (Includes in transit: Rs. 32.02 Lakhs, March 31, 2012: Rs. 43.85 Lakhs)	1,164.60	1,735.27
(b) Work - in - Progress (At lower of cost or net realisable value)	6,907.05	7,484.36
(c) Finished goods (At lower of cost or net realisable value)	577.53	442.57
(d) Stores and spares (At or under cost)	<u>920.98</u>	<u>647.39</u>
Total Inventories	<u>9,570.16</u>	<u>10,309.59</u>

Note: Details of inventory of work-in-progress

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

Particulars	As at 31.03.2013	As at 31.03.2012
Assembly Components	3,524.32	2,368.97
Gears	1,597.80	2,691.09
Excavator Components	941.33	1,138.24
Shaft Components	677.29	1,277.53
Engine Components	102.99	2.90
Axle Components	63.32	5.63
	6,907.05	7,484.36

17 Trade Receivables

	As at 31.03.2013	As at 31.03.2012
(Unsecured , considered good)		
(1) Outstanding for a period exceeding six months from the date they are due for payment*	268.66	448.91
	268.66	448.91
(2) Other Debts	3,429.99	3,860.12
	3,429.99	3,860.12
Total Current Trade Receivables	3,698.65	4,309.03

*Includes amount due from private companies in which director is a director/member

Name	Rs. in Lacs
Omega Automotive Pvt. Ltd.	1.58 (31.03.2012 : 4.40)
Prestige Equipments Pvt Ltd.	2.01 (31.03.2012 : Nil)

18 Cash and cash equivalents

	As at 31.03.2013	As at 31.03.2012
Cash and Cash equivalents		
(a) Balances with banks		
(i) In Current Account	37.65	89.39
(ii) EEFC Account	2.14	1.43
(iii) In earmarked accounts		
- Unpaid dividend accounts	18.14	18.25
(b) Cheque on hand	-	300.00
(c) Cash on hand	21.42	3.87
(d) Balances held as security against borrowings, guarantees and other commitments	72.91	110.79
Total cash and cash equivalents	152.26	523.73

Note: Balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements are

79.35 427.12

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

19 Short Term Loans and Advances

	As at 31.03.2013	As at 31.03.2012
(Unsecured, considered good)		
(i) Security Deposit	12.31	11.96
(ii) Loans and advances to employees	13.54	25.86
(iii) Balances with government authorities		
- Balance with Central Excise	504.25	541.04
- Balance with Sales Tax / VAT	103.15	53.15
(iv) Other Advances*	235.72	539.11
Total Short Term Loans and advances	868.97	1,171.12

* Other Advances includes :

	As at 31.03.2013	As at 31.03.2012
Advances paid to Creditors	227.84	386.63
Receivable from Government - Subsidy Income	-	151.35
Prepayments	7.88	1.13

20 Other Current Assets

	As at 31.03.2013	As at 31.03.2012
Interest accrued on deposits*	17.82	6.38
Unamortized Loan issue expenses	27.71	21.74
Export Incentive	16.69	21.67
Deferred Premium on forward contracts	0.57	-
Total Other current assets	62.80	49.79

* Interest accrued on deposits includes interest income accrued on account of Derivative contract in the nature of Principal Only Swap(POS) amounting to Rs. 12.80 lakhs (31 March 2012: Nil) [Refer Note 31.2]

21 Contingent Liabilities

	As at 31.03.2013	As at 31.03.2012
Contingent Liabilities not provided for		
- Claims made against the Company but not acknowledged as debts		
1) Jharkhand State Electricity Board towards fuel surcharge and delayed payment surcharge	16.85	16.85
2) In respect of bills discounted with Bank	97.18	71.94

22 Capital and other commitments

	As at 31.03.2013	As at 31.03.2012
a) Capital Commitments		
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances):	2,695.74	483.79
b) Other Commitments		
Export obligation against import of capital goods under EPCG Scheme	737.84	946.89

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

23 Revenue from operations	As at 31.03.2013	As at 31.03.2012
(a) Revenue from Operations		
(i) Sale of products		
- Domestic Sales	25,459.17	30,827.43
- Direct Export Sales	5,248.32	4,891.61
- Third Party Sales	842.53	1,279.45
(ii) Sale of Services (Job Work Income)	1,843.35	2,168.52
(b) Other operating income		
(i) Export Incentive	108.96	85.43
Total Revenue from Operations (gross)	33,502.33	39,252.44
23.1	As at 31.03.2013	As at 31.03.2012
A) Sale of products comprises:		
Gears	12,685.34	16,413.45
Assembly Components	8,155.01	8,001.77
Shaft Components	3,800.81	4,547.90
Excavator Components	3,291.69	4,194.64
Engine Components	926.19	1,466.64
Axle Components	400.72	442.83
Others	2,290.26	1,931.26
Total Sale of Product	31,550.02	36,998.49
B) Sale of services comprises :		
Job Work on Auto Components	1,843.35	2,168.52
Total Sale of services	1,843.35	2,168.52
23.2 Note		
i) Amount of Value Added Tax (VAT) excluded from the sales amount	1,490.14	1,762.84
24 Other Income	As at 31.03.2013	As at 31.03.2012
(a) Interest Income		
(i) On Fixed Deposits	9.28	9.82
(ii) Others (Security Deposit)	17.60	19.49
(b) Discount Received	11.16	64.38
(c) Insurance Claim	9.81	16.60
(d) Liabilities no longer required written back	6.45	19.62
(e) Rent Received	1.52	1.56
(f) Subsidy Income	1,131.21	311.97
(g) Net Exchange Fluctuation (other than considered as finance cost)	141.19	209.15
(h) Miscellaneous Income	40.74	6.24
Total Other Income	1,368.96	658.83

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

25 Cost of Materials Consumed	Year ended 31.03.2013	Year ended 31.03.2012
Raw Material		
Inventory at the beginning of the year	1,735.27	2,075.49
Add: Purchases during the year	<u>12,040.51</u>	<u>15,557.43</u>
	13,775.78	17,632.92
Less: Inventory at the end of the period	1,164.60	1,735.27
Total Cost of Materials Consumed	12,611.18	15,897.65

25.1 Details of raw material consumed	Year Ended 31.03.2013	%	Year Ended 31.03.2012	%
Details of Raw Materials				
Forging	893.02	7.08%	802.63	5.05%
Bright Bars	11,505.38	91.23%	14,318.54	90.07%
MS Pipe	<u>212.78</u>	1.69%	<u>776.48</u>	4.88%
	<u>12,611.18</u>		<u>15,897.65</u>	

25.2 Consumption of Imported and Indigenous Raw -Material	Year Ended 31.03.2013	%	Year Ended 31.03.2012	%
Details of Raw Materials				
Raw Materials and Components				
Imported	197.99	1.57%	65.36	0.41%
Indigenous	<u>12,413.19</u>	98.43%	<u>15,832.29</u>	99.59%
	<u>12,611.18</u>		<u>15,897.65</u>	

26 Changes in inventory of Finished Goods and Work in Progress	Year Ended 31.03.2013	Year Ended 31.03.2012
Inventory at the end of the period		
Work in progress	6,907.05	7,484.37
Finished Goods	<u>577.53</u>	<u>442.57</u>
	<u>7,484.58</u>	<u>7,926.94</u>
Inventory at the beginning of the period		
Work in progress	7,484.37	7,301.94
Finished Goods	<u>442.57</u>	<u>608.36</u>
	<u>7,926.94</u>	<u>7,910.30</u>
	<u>442.36</u>	<u>(16.64)</u>



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

27.1 Employee Benefits

(a) Post Employment Defined Contribution Plans

During the year an amount of **Rs. 59.22 Lakhs** (Previous Year Rs. 53.91 Lakhs) has been recognized as expenditure towards Defined Contribution Plans of the Company.

(b) Post Employment Defined Benefit Plans

Gratuity (Funded)

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

The following Table sets forth the particulars in respect of the aforesaid Gratuity Fund of the Company for the year ended 31st March 2013:

Particulars	Gratuity	
	Current Year	Previous Year
A. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligations (DBO)		
1 Present Value of DBO at beginning of year	72.27	76.46
2 Current Service cost	10.84	10.02
3 Interest cost	6.14	6.06
4 Plan amendments	-	-
5 Actuarial (gains)/ losses	39.29	(14.34)
6 Benefits paid	(3.36)	(5.93)
7 Present Value of DBO at the end of year	125.18	72.27
B. Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets		
1 Fair Value of Plan assets at beginning of year	50.33	33.91
2 Actual return on plan assets	5.41	3.27
3 Actual Company contributions	38.06	19.85
4 Actuarial gains/ (loss)	0.57	(0.77)
5 Benefits paid	(3.36)	(5.93)
6 Fair Value of Plan assets at the end of year	91.01	50.33
C. Reconciliation of the Present Value of the DBO and the Fair Value of the Plan Assets		
1 Present value of DBO at the end of the year	125.18	72.27
2 Fair value of plan assets	91.01	50.33
3 Funded status [Surplus/ (Deficit)]	(34.17)	(21.94)
Net asset/(liability) recognized in balance sheet as at the Balance Sheet date	(21.94)	(21.94)
1 Net asset/(liability) recognized in balance sheet at beginning of period	(21.94)	(42.55)
2 Employer (Expense)/credit	(50.29)	0.76
3 Employer contributions	38.06	19.85
4 Net asset/(liability) recognized in balance sheet at end of the period	(34.17)	(21.94)

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

D.	Expense recognized in the Statement of Profit and Loss (Refer Note 27)		
1	Current Service cost	10.84	10.02
2	Interest cost	6.14	6.06
3	Expected return on plan assets	5.41	3.27
4	Past Service Cost	-	-
5	Actuarial Losses / (Gains)	39.29	(14.34)
	Total expense recognized	61.68	5.01
E.	Category of Plan Assets:		
	Funds with Life Insurance Corporation of India	91.01	50.33
F.	Actual Return on Plan Assets		
		5.41	3.27
G.	Principal Actuarial Assumptions		
1	Discount Rate	8.20%	9%
2	Expected return on plan assets	8.00%	8%
3	Salary Escalation	7.00%	5%
	Mortality Rate	Indian Assured Lives Mortality (2006-08) (Modified) Ult	(LIC 1994-96) Ultimate
4	Withdrawal Rate	2%	2%
I	Experience adjustments**		
		<u>2013</u>	<u>2012</u>
			<u>2011</u>
1	Present Value of DBO at the end of year	(125.18)	(72.27)
2	Fair value of plan assets as at the end of the year	91.01	50.33
3	(Surplus)/Deficit in the plan	(34.17)	(21.94)
4	Experience adjustments on plan liabilities ((loss)/gains)	(4.67)	10.18
5	Experience adjustments on plan assets ((loss)/gain)	0.57	0.77
6	Actuarial Gain/(Loss) due to change on assumptions	(34.62)	4.16

** Experience adjustments have been given only for three years as the actuarial valuation has been done for the first time in financial year 2010.

Notes:

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

27	Employee Benefits Expense	Year Ended 31.03.2013	Year Ended 31.03.2012
(a)	Salaries and wages, including bonus	1,300.42	1,122.63
(b)	Contribution to provident and other funds	59.22	53.91
(c)	Expenses on Employee Stock Options(Refer Note 40)	9.06	-
(d)	Staff welfare expenses	61.41	59.93
	Total Employee Benefits Expense	1,430.11	1,236.47

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

28 Finance Costs	Year Ended 31.03.2013	Year Ended 31.03.2012
(a) Interest on		
(i) Term Loan*	694.91	672.04
(ii) Working Capital Facilities	973.13	1,127.05
(iii) Delayed payment of advance tax	5.49	-
(b) Other Borrowing Cost		
(i) Loan processing fees	74.46	112.88
(ii) Amortization of forward premium	5.38	-
(c) Mark to Market Loss on Principle only Swap(POS)	109.75	-
(d) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	43.38	123.20
Total Finance Cost	1,906.50	2,035.17

* Interest on Term Loan is net of interest income received/accrued on account of derivative contract in the nature of Principal Only Swap(POS) for the year ended 31st March 2013 amounting to Rs 59.28 lakhs respectively (31 March 2012: Nil).

29 Other Expenses	Year Ended 31.03.2013	Year Ended 31.03.2012
(i) Consumption of Stores and Spare Parts	2,426.06	2,867.68
(ii) Power and fuel	4,488.73	4,900.18
(iii) Rent	8.82	9.56
(iv) Machine Hire Charges	58.72	69.64
(v) Repairs - Building	75.00	105.72
(vi) Repairs - Machinery	237.51	180.00
(vii) Repairs - Others	91.89	116.92
(viii) Insurance	59.24	41.90
(ix) Rates & Taxes	30.93	53.00
(x) Traveling & Conveyance	122.79	91.57
(xi) Freight Inwards	302.36	553.58
(xii) Freight Outwards	294.79	260.08
(xiii) Job Work Charges	3,116.48	3,291.48
(xiv) Discount Allowed	61.81	95.54
(xv) Auditors' Remuneration	13.77	12.37
(xvi) Bad/Doubtful Debts Written off	129.93	391.22
(xvii) Advances Written off	12.79	-
(xviii) (Gain) / Loss on sale of Assets	0.37	0.17
(xix) Bank Charges	35.14	79.49
(xx) Miscellaneous Expenses	401.83	421.24
Total Other Expenses	11,968.96	13,541.34



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

29.1 Paid / Payable to Auditors (net of Service Tax)

	Year Ended 31.03.2013	Year Ended 31.03.2012
As Auditors		
a) For Statutory Audit	6.00	6.00
b) For Limited Reviews	4.00	4.00
c) Other Certification Fees	3.00	2.00
d) Reimbursement of expenses	0.77	0.37
Total	13.77	12.37

29.2 Consumption of Imported and Indigenous Stores and Spare Parts

Particulars	Year Ended 31.03.2013	%	Year Ended 31.03.2012	%
Stores and Spares Parts				
Imported	218.04	8.99%	183.08	6.38%
Indigenous	2,208.02	91.01%	2,684.60	93.62%
	2,426.06		2,867.68	



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

30. Opening, Closing, Turnover and Production of Goods

Group of Goods	Opening Stock			Closing Stock		Turnover		Production	
	UOM	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
i) Gears	Nos	55,377.00 (49,274.00)	217.19 (228.03)	32,643.00 (55,377.00)	169.34 (217.19)	1,964,300.00 (2,611,523.00)	12,685.34 (16,413.45)	1,941,566.00 (2,617,626.00)	
ii) Shaft Components	Nos	7,411.00 (10,119.00)	37.31 (53.70)	19,763.00 (7,411.00)	101.37 (37.31)	609,174.00 (593,341.00)	3,800.81 (4,547.90)	621,526.00 (590,633.00)	
iii) Axle Components	Nos	178.00 (1,641.00)	0.62 (6.27)	451.00 (178.00)	2.04 (0.62)	24,691.00 (29,303.00)	400.72 (442.83)	24,964.00 (27,840.00)	
iv) Excavator Components	Nos	17,653.00 (13,563.00)	55.31 (85.97)	27,835.00 (17,653.00)	87.42 (55.31)	352,216.00 (503,641.00)	3,291.69 (4,194.64)	362,398.00 (507,731.00)	
v) Engine Components	Nos	1,333.00 (7,729.00)	2.36 (24.49)	7,535.00 (1,333.00)	40.28 (2.36)	144,212.00 (303,183.00)	926.19 (1,466.64)	150,414.00 (296,787.00)	
vi) Assembly Components	Nos	7,254.00 (5,909.00)	31.33 (54.95)	13,550.00 (7,254.00)	67.22 (31.33)	2,647,224.00 (2,554,585.00)	8,155.01 (8,001.77)	2,653,520.00 (2,555,930.00)	
vii) Others	Nos	40,134.00 (65,607.00)	98.45 (154.95)	58,894.00 (40,134.00)	109.86 (98.45)	12,146,059.41 (14,610,923.00)	2,290.26 (1,931.26)	12,164,819.41 (14,585,450.00)	
Total		129,340.00 (153,842.00)	442.57 (608.36)	160,671.00 (129,340.00)	577.53 (442.57)	17,887,876.41 (21,206,499.00)	31,550.02 (36,998.49)	17,919,207.41 (21,181,997.00)	

Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

31. Details on derivative instruments and unhedged foreign currency exposures:

The following derivative positions are open as at 31 March, 2013. These transactions have been undertaken to act as economic hedges for the Company's exposures to risks in foreign exchange fluctuation in respect to the Buyers Credit Loan taken by the Company denominated in Foreign Currency and may be designated as hedging instruments.

Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required at the settlement date of certain payables / Loans.

(i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2013:

As at	Currency	No of Contracts	Exposure in Foreign Currency (In Lacs)	Amount (Rs. In Lacs)
31st March 2013	JPY/INR	2	550	317.68
31st March 2012	JPY/INR	Nil	Nil	Nil

31.1 Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	Amount in Foreign Currency			Rs. In Lakhs	
		Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012	
i) Receivables	USD	35.04	37.54	1,886.98	1,920.69	
ii) Creditors	USD	0.29	0.45	15.72	23.24	
	CHF	0.03	0.19	1.67	11.16	
	JPY	181.08	10.52	104.59	6.57	
	GBP	-	0.08	-	6.44	
	EUR	0.48	0.02	33.09	1.95	
	SGD	0.01	0.04	0.33	1.59	
iii) Loans (PCFC)	USD	29.95	29.72	1,628.78	1,520.69	
iv) Loans (Buyers Credit)	EUR	5.66	5.66	393.87	387.07	
	JPY	796.78	1,389.56	460.22	867.50	
	USD	9.35	10.65	508.52	544.91	

31.2 The Company has entered into derivative contract during the year in the form of INR/USD Principle only Swap (POS). The POS has been entered to convert the INR Loan Liability into USD Liability with the objective of reducing the overall interest cost on the INR Fixed Interest Rate Loan portfolio and hence may not qualify to be designated as hedging instruments.

Details of the aforesaid outstanding derivative contract as at 31st March, 13

Currency	No of Contract	Amount Payable in USD (in Lacs)	Amount Recievable in INR (in Lacs)	Maturity Date of Contract
INR/USD	1	27.27	1,400	17-Apr-15

The Mark-to-Market (MTM) losses on such derivative contract as per the valuation report from banker as on March 31, 2013 stood at **Rs 109.75 lakhs** (Year ended 31st March 12 - Rs NIL)

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

32. C.I.F. Value of Imports

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Capital Goods	347.00	1,699.25
b) Raw material and Components	237.03	70.53
c) Consumable Stores	266.58	260.64
	<u>850.61</u>	<u>2,030.42</u>

33. Expenditure in foreign currency

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Technical service fee	10.26	-
Travelling	1.18	1.04
	<u>11.44</u>	<u>1.04</u>

34. Earning in foreign currency

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
F.O.B value of exports	<u>5,214.27</u>	<u>4,922.52</u>
	<u>5,214.27</u>	<u>4,922.52</u>

35. Segment Reporting

A) Segments have been identified in line with the Accounting Standards (AS) 17 on Segment Reporting prescribed under the Companies Act, 1956, taking into account the nature of products and services, the different risks and returns, the organizational structure and the internal financial reporting system. It has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organizational structure and its system of internal financial reporting, geographical segment based in the location of the customers has been identified as the primary segment. The Company has following two geographical segments:

- i) Domestic
- ii) Export

Information about Geographical Segments	DOMESTIC	EXPORT	Total of Reportable Segments
1. Segment Revenue			
a) External Sales	(25,327.37) (31,367.54)	(5,357.28) (4,977.04)	(30,684.65) (36,344.58)
b) Inter Segment Sales	-	-	-
c) Total Revenue	<u>(25,327.37)</u> (31,367.54)	<u>(5,357.28)</u> (4,977.04)	<u>(30,684.65)</u> (36,344.58)
Segment Result	(2,176.27) (3,640.75)	(1,194.56) (1,069.49)	(3,370.83) (4,710.24)
Other Income (Unallocated)			(1,227.76) (658.83)

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

Unallocated Corporate Expenses	639.99 503.03
Depreciation (Unallocated)	520.27 477.15
Interest Expense	1,906.50 2,035.17
Profit Before Tax	(1,531.83) <u>(2,353.72)</u>
Tax Expenses	329.75 745.27
Net Profit for the Year	(1,202.08) <u>(1,608.45)</u>

2. Other Information

Information about Geographical Segments	DOMESTIC	EXPORT	Total of Reportable Segments
Segment Assets	25,321.35 27,558.58	5,995.75 5,311.92	31,317.10 32,870.50
Unallocated Corporate Assets			5,781.73 6,000.05
Total Assets			37,098.83 38,870.55
Segment Liabilities	(4,991.35) (7,666.75)	(2,490.73) (2,548.79)	(7,482.08) (10,215.54)
Unallocated Corporate Liabilities			(15,374.86) (15,540.62)
Total Liabilities			(22,856.94) (25,756.16)
Capital Expenditure (Unallocable)			1,923.31 5,285.06
Depreciation (Unallocable)			520.27 477.15
Non Cash Expense other than depreciation	129.93	-	129.93

- B)** The Company is a manufacturer of Automotive Components parts and managed organisationally as a single unit hence there are no reportable business segment .



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

36. Related Party Transactions

Related party disclosures as required under Accounting standard - 18 on "Related Party Disclosure" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006

Name of the related party	Relationship
Precision Automotive Co. (P) Ltd, RSD Finance Limited, S R P Oils (P) Ltd., Prestige Equipment's (P) Ltd. Bach Ltd.	Associate Companies Investing Parties
Mr. Rajeev Singh Dugal Mr. Jasjit Singh Dugal	Managing Director Executive Director] Key Management Personnel

Related party transaction:

1) Associate Companies:	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Purchase of material / finished goods	96.04	117.97
b) Sale of finished goods and Job working	1.44	7.97
c) Services availed including Job charges	39.88	38.14
d) Machine hire charges	-	17.85
e) Purchase of Fixed Asset	52.50	-
f) Total of transactions during the year	189.86	197.26
g) Loans Taken	-	300.00
h) Loans repaid	300.00	172.93
i) Interest Expense	9.00	6.48
Balance at the end of the year		
j) Other payables	-	-
k) Receivables	3.41	4.82
l) Loans Outstanding (Including interest accrued)	-	300.00
2) Key Management Personnel	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Managerial Remuneration	77.01	47.58

37. Leases

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

	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Not later than one year	-	16.56
b) Later than one year and not later than 5 years	-	-



Notes forming part of the financial statements

(All amounts in Rs. Lakhs, unless stated otherwise)

38. Earnings per share	Year Ended 31.03.2013	Year Ended 31.03.2012
Net Profit for the Year (Rupees in Lakhs)	1,202.08	1,608.45
Average number of equity shares (Face value Rs. 10/- each) for Basic EPS (No. in Lakhs)	143.95	143.95
Add: Effect of dilutive issue of employees stock options (ESOPs) outstanding as on 31.03.2013	2.10	-
Average number of equity shares (Face value Rs. 10/- each) for Diluted EPS (No. in Lakhs)	146.05	143.95
Basic earnings per share (Rs.)	8.35	11.17
Diluted earnings per share (Rs.)	8.23	11.17

39. The Board of Directors at its meeting held on May 24, 2013 has recommended a final dividend of Rs 0.50 per equity share.

40. Employees Stock Option Plans:

The Company implemented "JMT Auto Limited Employee Stock Option Plan 2012" during the year as approved by the Shareholders of the Company and the Remuneration /Compensation Committee of the Board of Directors. Details of the options granted during the year under the plans are as under:

Grant Date	No. of Options	Exercise Price (Rs)	Vesting Period
1.08.2012	210,000	40	1.08.2012 to 31.07.2014

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of Rs 10 each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans with an exercise period of two years from the respective grant dates.

The particulars of the options granted and lapsed under the Schemes are as below:

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Options outstanding as at the beginning of the year	-	-
Add: Options granted during the year	210,000.00	-
Less: Options lapsed during the year	-	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	210,000.00	-

The Company has followed the intrinsic value based method of accounting for stock options granted after April 1, 2005 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, the Company's net income would be lower by Rs 49.92 Lakhs (previous year Rs Nil) and earnings per share as reported would be lower as indicated below:

**Notes forming part of the financial statements**

(All amounts in Rs. Lakhs, unless stated otherwise)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Net profit as reported	1,202.08	1,608.45
Less : Total stock-based employee compensation expense determined under fair value based method	(25.34)	-
Add : Total stock-based employee compensation expense determined under intrinsic value based method	9.06	-
Adjusted net profit	1,185.80	1,608.45
Basic earnings per share		
- As reported (in Rs.)	8.35	11.17
- Adjusted (in Rs.)	8.24	11.17
Diluted earnings per share		
- As reported (in Rs.)	8.23	11.17
- Adjusted (in Rs.)	8.12	11.17
	-	-
The fair value of each option granted during the year is estimated on the date of grant based on the following assumptions:		
JMT Auto Limited Employee Stock Option Plan 2012		
Grant Date	August 1, 2012	
Particulars		
Dividend yield (%)	1.76%	
Expected life (years)	3	
Risk free interest rate (%)	8%	
Volatility (%)	1.03%	

41. Previous year's / period figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Rajeev Singh Dugal
Chairman

Jasjit Singh Dugal
Executive Director

Harjinder Singh
Chief Financial Officer

Mona K Bahadur
Company Secretary

Jamshedpur, May 24, 2013

JMT AUTO LIMITED

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

ATTENDANCE SLIP

Twenty-sixth Annual General Meeting-July 16, 2013

Regd. Folio No. / DP Client ID	:	
Name	:	
Address	:	
No. of Shares held	:	

I hereby record my presence at the 26th Annual General Meeting of the Company at "Kala Kunj (Kala Mandir) 48, Shakespeare Sarani, Kolkata-700017 on Tuesday, the 16th day of July, 2013 at 10.00 A.M.

.....
Name of the Member/Proxy
(In BLOCK letters)

.....
Signature of the Member/Proxy

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

JMT AUTO LIMITED

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

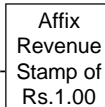
PROXY

I/We
..... Of
..... being a member/members of the above name company, hereby appoint
..... of
..... as my/ our Proxy to
attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on
Tuesday , the 16th July, 2013.

Regd. Folio :-

No. of Shares held:-

Signature _____



Note: This Proxy Form, in order to be effective, should be duly stamped, signed and deposited at the Registered office of the company at 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room # 902, Kolkata – 700 017 not less than FORTY EIGHT HOURS before the time for holding aforesaid meeting.



Awards & Certificates



Employee's Day Celebration



Plant View of JMT

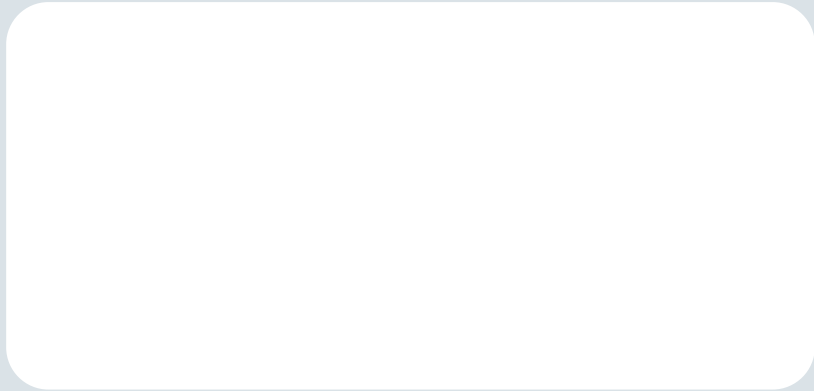


JMT AUTO LIMITED





BOOK POST



REGISTERED OFFICE 224, A.J.C. Bose Road, Room No.- 902 Krishna Building, 9th Floor, Kolkata-700017, West Bengal Telephone: 033 - 3058 1043 Email.id - jmtauto@jmtauto.com, Website:- http://www.jmtauto.com		
WORK UNIT - I A-20, Phase-1 Industrial Area, Adityapur Jamshedpur- 832109, Jharkhand Teleph: 0657 - 6626020	WORK UNIT - II & III C-19 &20, D-2-3, D-8-12, NS-29-34 7th Phase, Industrial Area, Adityapur Jamshedpur-832109, Jharkhand Tele : 0657 - 6626333/ 6626379 Fax : 0657 - 2200749/2200280	
WORK UNIT - IV (FOUNDRY) Notandih, Kandra Chauka, Main Road Dist. : Seraikela, Kharsawan, Jharkhand Tele : 9386411314	WORK UNIT -V (FORGING) A-45, A-46, A-47, A-48(P) & M-2 At Large Sector, Gamharia Jharkhand Tele : 0657 -6626602	
WORK UNIT VI NS-57, 7th Phase, Industrial Area Adityapur, Jamshedpur- 832109 Jharkhand	WORK UNIT VII LUCKNOW Village - Naubasta, Kalan, Lucknow On Line Mark (Deva to Naubasta Marg) Uttar Pradesh	
WORK UNITS AT DHARWAD		
Plot No 222 Kiadb Belur Industrial Growth Center Belur Dharwad- 580011, Karnatka Tele : 0836-2486804	Plot No 224-A Kiadb Belur Industrial Growth Centre Belur Dharwad- 580011, Karnataka Tele : 0836-2486805	Block No -2 Kiadb Belur Industrial Estate Garag Road Mummigatti Dharwad- 580 007, Karnatka Tele : 9243245181



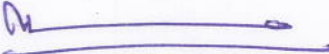

If undelivered, Please return to :

JMT AUTO LIMITED

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

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	JMT Auto Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable
5.	<p>  (Rajeev Singh Dugal) Managing Director </p> <p>  (Harjinder Singh) Chief Financial Officer </p> <p>  (Sushil Kumar Khowala) Audit Committee Chairman </p> <p> Auditor of the Company Refer our Audit Report dated May 24, 2013 on the Financial Statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 302009E) </p> <p>  A. Bhattacharya Partner (Membership No. 054110) Kolkata </p>	