



# TECHNOLOGY, INNOVATION & PEOPLE

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#### BOARD OF DIRECTORS

Mr. S.K. Arya, Chairman & Managing Director  
Mr. U.C. Aggarwal, Director  
Mr. D.P. Agarwal, Director  
Mr. R. Dayal, MSIL Nominee, Director  
Mr. Achintya Karati, Director  
Mr. Nishant Arya, Director  
Mr. Anand Swaroop, President & CFO  
Mr. S. Kartik, Company Secretary & Compliance Officer

#### REGISTERED OFFICE

601, Hemkunt Chambers  
89, Nehru Place, New Delhi - 110 019  
Ph: 91-11-26427104-6  
Fax: 91-11-26427100  
Email: corp@jbm.co.in  
www.jbmgroup.com

#### WORKS

Jay Bharat Maruti Limited, (J1)  
Plot No. 5, Maruti Joint Venture Complex,  
Gurgaon - 122 015 (Haryana)

Jay Bharat Maruti Limited, (J2)  
Sector 36, Mohammadpur Jharsa,  
Near Khandsa Village,  
Gurgaon - 122 001 (Haryana)  
Jay Bharat Maruti Limited, (J3)  
Plot No.15 & 22, Sector - 3A  
Maruti Supplier Park  
IMT Manesar  
Gurgaon - 122 050 (Haryana)

#### JOINT VENTURE PARTNER

Maruti Suzuki India Limited

#### STATUTORY AUDITORS

Mehra Goel & Co. (Chartered Accountants)

#### INTERNAL AUDITORS

Sahni Natrajan & Bahl (Chartered Accountants)

#### REGISTRAR & SHARE TRANSFER AGENTS

MCS Limited

#### BANKERS

Canara Bank  
Citi Bank N.A.  
DBS Bank  
HSBC Bank  
ICICI Bank Limited  
IndusInd Bank  
ING Vysya Bank  
Kotak Mahindra Bank  
Standard Chartered Bank  
The Bank of Tokyo Mitsubishi UFJ Limited  
YES Bank Limited



# CORPORATE INFORMATION

# TECHNOLOGY. INNOVATION. PEOPLE.

As we celebrate the iconic success of Jay Bharat Maruti Ltd. (JBML) in a span of 26 years, we do so with a strong sense of confidence in our ability to translate challenges into opportunities for growth. It is a confidence that is inspired by our technological prowess, desire for continuous improvement and the resolve and talent of our people, which have steered our journey so far. These pillars of our growth continue to guide us as we move forward towards the realisation of our vision to become the preferred choice for all our stakeholders.


Our ingenuity is manifest across our technological fabric, with innovation an integral part of our growth strategy. It is evident in our proven tradition of bringing superior products, strong manufacturing processes and practices benchmarked to international standards, as well as better materials to provide the highest level of satisfaction to customers. It is measurable in the value we deliver to the driving public. As we traverse the challenging roads in the industry, we are confident that, powered by our technology and meaningful innovations, we will be able to progress even further.

Through the committed efforts of our passionate people, we have been able to ensure that our products and services live up to the high quality standards that our customers expect and deserve. The shared culture of teamwork, continuous improvement and the utmost integrity distinguishes JBML and shall propel us to greater progress as we move forward.

“Our goals are clear and well-defined.

**To provide innovative products in the automobile industry based on our strengths of technology and people.**

The roadmap has been charted, and coursing the circuit with these intrinsic strengths, we are optimistic of progressing confidently towards our target of delighting and satisfying customers and other stakeholders.”



“Our ingenuity is manifest across our technological fabric, with innovation an integral part of our growth strategy.”

“You cannot discover new oceans unless you have the courage to lose sight of the shore.”

*Anonymous*

# CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my privilege to reconnect with you at the end of another year and share our Company's progress, as well as our hopes, dreams and aspirations for tomorrow. I am pleased to report that given the challenging market conditions, your Company did reasonably well and posted satisfactory results.

In the face of difficult macroeconomic conditions both in India and in global economies, market sentiments remained low and affected several industries including the automobile sector. In fact in India, compounded by the problem of burgeoning fuel prices, increasing interest rate and rising cost faced by auto component manufacturers due to depreciation of currency, the sales growth rate of passenger cars plummeted to the lowest level seen in the last twelve years.

Notwithstanding these macro-economic factors beyond our control, we adapted quickly and implemented strategic initiatives to deliver a ten per cent increase in sales and 11% increase in PBT, as compared with the previous year. These initiatives included a focus on streamlining operational processes to maximise profitability, efficient inventory management, expanding upon our track record of innovation, enhancing our service capabilities and strengthening supplier partnership.

Looking back upon the growth trajectory of JBML, we are cognizant of our core strengths of technological prowess, innovation and people which has facilitated us to become one of India's leading auto-component manufacturer.

**“ Incorporating leading-edge technology at our world class manufacturing facilities is amongst our topmost priority. Our commitment to engineering ingenuity makes us real problem solvers. ”**



Incorporating leading-edge technology at our world class manufacturing facilities is amongst our topmost priority. Our commitment to engineering ingenuity makes us real problem solvers. In the years ahead, we will remain focussed on enhancing our technology prowess to develop world-class auto components.

Our distinguished record of innovation enhances our value proposition to customers and bolsters our position in the industry. Your Company continually reinforces emphasis on this area, leaving us well-positioned for maximising future growth.

Last but not the least, underpinning our success is the continuous dedication and commitment of our talented people. It is because of them we have been able to surmount the challenges and relentlessly grow and succeed. At JBML, we continue to invest in our people, firmly believing that they are our most valuable asset. During the year, your Company undertook various IT and HR initiatives to foster employee growth and development.

People over the world desire mobility and this aspiration will fuel the demand for vehicles even more as global markets improve and India regains economic momentum. With renewed faith in our core strengths, we are optimistic about leveraging these opportunities for accelerated growth of the Company.

The year gone by tested our ability to navigate difficult market environment and the good news is that we have emerged successful and transformed into a stronger entity. We will continue to invest in our capabilities to achieve our vision of becoming the Company of first choice for all our stakeholders. I take this opportunity to thank our esteemed Joint Venture Partner, Maruti Suzuki India Limited, and all our valuable shareholders for their continued trust and support. On behalf of the management of JBML, I would also like to thank all our esteemed stakeholders for their consistent support and look forward to their enthusiastic participation to achieve the objective of the organisation.

We will keep on updating you on our progress throughout the coming year.

Sincerely,

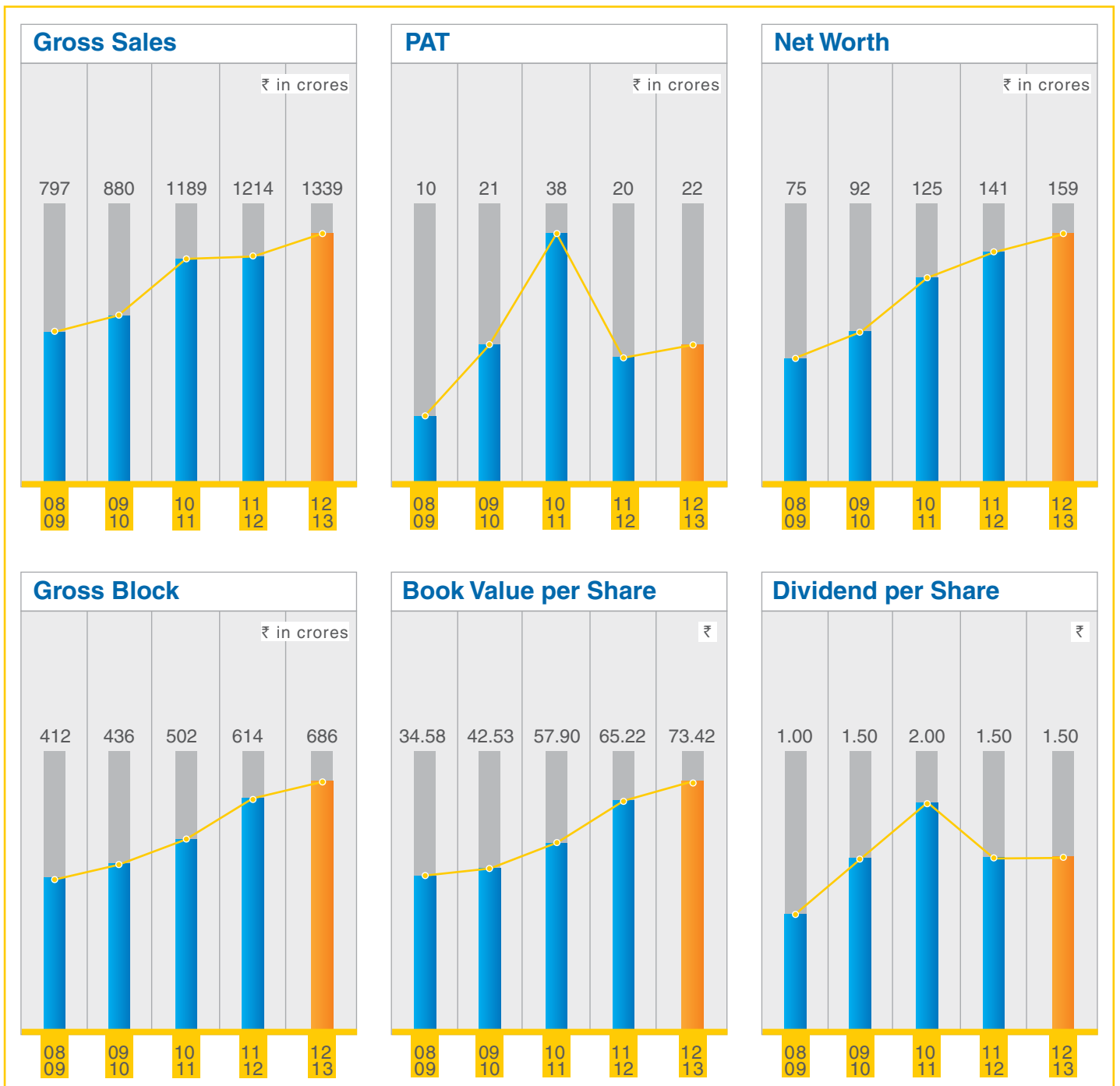
**S.K. Arya**  
Chairman & Managing Director

Gurgaon - 15-04-2013

# OUR STRENGTHS IN NUMBERS

## FINANCIAL PERFORMANCE

JBML's progress ever since inception has been clearly remarkable – a feat achieved through its commitment to engineering ingenuity as well as to the values of product and organisation integrity.





“ I believe the real difference between success and failure in a corporation can be very often traced to the question of how well the organisation brings out the great energies and talents of its people. ”

*Thomas J. Watson, Jr*

FINANCIAL HIGHLIGHTS					₹ in crores
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Gross Sales	796.76	879.62	1,189.09	1,213.84	1,338.56
Net Sales	691.73	803.21	1,060.55	1,068.31	1,180.23
Other Income	2.86	2.31	5.57	2.23	3.42
Total Income (Net)	694.59	805.52	1,066.12	1,070.54	1,183.65
EBIDTA	60.25	83.17	106.07	88.45	97.05
Financial Charges	9.65	12.27	14.34	21.51	19.50
Depreciation - Fixed Assets	34.36	38.08	35.09	38.02	45.54
Profit Before Tax	16.24	32.82	56.64	28.92	32.00
Tax	5.88	11.81	18.34	9.29	10.47
Profit After Tax	10.36	21.01	38.30	19.63	21.53
Share Capital	10.83	10.83	10.83	10.83	10.83
Reserve & Surplus	64.05	81.26	114.53	130.39	148.12
Net Worth	74.87	92.08	125.36	141.21	158.94
Inventory/Net Turnover (Times)	25.61	25.02	20.14	14.15	14.00

KEY INDICATORS					
EBIDTA/Net Sales (%)	8.71	10.35	10.00	8.28	8.22
PBT/Net Sales (%)	2.35	4.08	5.34	2.71	2.71
PAT/Net Sales (%)	1.50	2.61	3.61	1.84	1.82
RONW (PAT/Net Worth) (%)	13.84	22.82	30.55	13.90	13.55
Earning Per Share (₹)	4.79	9.70	17.69	9.07	9.95
Cash Earning Per Share (₹)	20.66	27.29	33.90	26.63	30.98
Dividend Per Share (₹)	1.00	1.50	2.00	1.50	1.50
Book Value per Share (₹)	34.58	42.53	57.90	65.22	73.42
Price/Earning Ratio (Times)	4.80	7.14	4.48	4.97	4.57
Market price of share as on 31st March (₹)	23.00	69.26	79.25	45.10	45.45
Market Capitalisation (₹ in crores)	50	150	172	98	98
Dividend (₹ in crores)	2.17	3.25	4.33	3.25	3.25
Corporate Dividend Tax (₹ in crores)	0.37	0.55	0.70	0.53	0.55
"Dividend Payout Ratio(%) (including Dividend Distribution Tax)"	24.45	18.08	13.14	19.23	17.65

# ABOUT THE COMPANY



Jay Bharat Maruti Ltd. (JBML) is one of the fastest growing Indian auto components manufacturing Company. Founded in 1986 in collaboration with Maruti Suzuki India Limited (MSIL), the partnership represents one of the largest joint venture of MSIL for the manufacture of sheet metal components, welded assemblies, exhaust systems, fuel fillers, chassis and suspension components.

The manufacturing plants, incorporating state-of-the-art technology, are located at Gurgaon and Manesar. The Company shares are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

**Powered by engineering ingenuity for superior product delivery**

## PRODUCT PORTFOLIO

- Sheet Metal Components (including skin panels)
- Welded Assemblies
- Chassis and Suspension Parts and Assemblies
- Exhaust Systems
- Fuel Fillers
- Rear Axle
- Metal Forming Components

**Driving ahead through robust systems**

## OPERATIONS & FACILITIES

- Metal Forming, Joining, Fuel Pipe Manufacturing, Die Manufacturing, Coating
- Metal Forming - 20T to 2500T Presses - Mechanical, Hydraulic Robotic, Automated and Transfer Press Lines. Die Design Development and Manufacturing CNC Machines - Die Spotting, Assembly - Trial and TPMs
- Weld Shop - MIG / MAG Joining - Manual Robotic, Spot Joining - SSW, PSW, IT Gun, MSW, Robotic Projection Joining - MSW, PSW, SSW, and Laser Cutting Rules
- Coordinate measuring rules and other quality control/assurance related equipments
- Die manufacturing for large panels
- Fuel Filler manufacturing machines
- Others - International Grade Coating shops

“ Any sufficiently advanced technology is indistinguishable from magic. ”

*Arthur C. Clarke*



# TECHNOLOGY PARTNERS

In partnership with leading companies to deliver market-leading innovation

Hamamatsu Pipe Co Ltd., Japan

Daiwa Excel, Japan

Yorozu Corporation, Japan

Futaba Industrial Co, Japan

Okamoto Press Co. Ltd., Japan

# PROUD TO BE INDIAN, PRIVILEGED TO BE GLOBAL

Our rock solid value system lies at the core of everything we do and everything we are.

## OUR VISION

Expanding leadership in our business through people, keeping pace with market trends and technology...

## OUR MISSION

To make JBML a synonym for world-class organisation excelling in sheet metal technologies

## OUR CORE VALUES

**Simplicity, Teamwork, Trust amongst People, Customer Focus and Meeting Commitment** form the preamble of JBML.

- Simplicity lies in our flexible approach, openness to new learning and effective communication for capacity building and personal dynamism
- Team work with well-defined responsibilities, authorities and accountability
- The Trust amongst people bond, binding the people in JBM Family, is the nerve center that governs the growth and the development of the group.
- Customer focus to the optimum level is the focused area of our policy planning that continuously drives us to venture in innovative and latest designs and management practices.
- Meeting Commitments to give best in every field is the buzz word of the Group and characteristics of every functionary

## OUR VALUE PROPOSITION

The three key components of JBML's success pillars are Technology, Innovation and People. Firmly rooted in the legacy of the JBM Group, the Company believes in continuously redefining its boundaries to always deliver value to customers.

# THE ROAD TO SUCCESS

## MILESTONES

Company Incorporated  
Commercial Production  
Plant-2 commissioned  
Exhaust System M-800 & Omni

**1987**

Fenders  
Baan IV Software System  
Exhaust system Alto &  
Wagon-R  
M-800 Car Under Bodies

**1997**

Versa line  
Fuel Neck Filler & Electroplating

**2001**

Axle Line – 800CC & ALTO  
SWIFT-Line  
Axle line –Swift & CED Painting  
Plant-3 Commissioning

**2003**

ZEN Estilo Line  
Axle Line- SX4 (YY4)  
A-Star (YC5)line (Axle & BIW)

**2006**

**2009**

RITZ (YV4) line (Axle & BIW)  
ESTILO Line  
New Wagon R (YR9) (Axle & BIW)  
EECO

SAP  
Estilo / Alto / Alto K-10 Floor  
New Swift (YP8) (Axle & BIW)

**2010**

**2012**

Ertiga(YL-8) (Axle & BIW)  
Alto-800 (YE-3) (BIW & Exhaust)  
Alto – 800 (BIW & Exhaust)

“ You never achieve  
success unless you like  
what you are doing.”

*Dale Carnegie*

# OUR IDENTITY

**₹1200+crore** Turnover

**3**

State-of-the-art  
manufacturing facilities  
in NCR

**3,600**

Employee strength

**650**

Components/assemblies  
produced

**1,28,000/day**

Total supply of parts

**TS-16949:2009, ISO 14001:2004,  
OHSAS 18001:2007**  
System Quality Certifications



Over more than two decades, our entrepreneurial spirit and competent people have been a constant force driving us forward. We are proud of our technologies and products, which for their ingenuity find themselves at the heart of vehicles produced by world's leading automobile manufacturers. Our progress results from our deep-rooted commitment to deliver maximum value and satisfaction for our customers in fuel efficiency, safety, environmental concerns and vehicle performance. Each step of our journey has set benchmarks in achieving brilliance in the realm of technology and innovation. As we look ahead, we see greater opportunities for progress and we are as committed as ever, to harness these opportunities with the ingenuity and integrity that has made JBML the automotive components market leader that it is today.



# ENDORSEMENT OF OUR ROADMAP

## KEY AWARDS AND RECOGNITION

2012-13	Gold Trophy for overall performance from MSIL
	Shield for Yield Improvement from MSIL
2011-12	Silver Shield for overall performance from MSIL
	Shield for Spare Delivery from MSIL
	Shield for Special Support from MSIL
	Certificate for 'VA VE' from MSIL
	Certificate for 'Capacity Enhancement' from MSIL
2010-11	Certificate for Incoming Quality Improvement from MSIL
	Certificate for "VA VE" from MSIL
	Trophy for HR initiative from MSIL
	Trophy for Audit Rating from MSIL
2009-10	Trophy for Value Analysis and Value Engineering (VA-VE)
	Trophy for Manufacturing Excellence Awards
2008-09	Vendor Performance Award for Car Scheme from MSIL
	Vendor Performance Award for MPS from MSIL
	Shield for Tier 2 Upgradation from MSIL
	Shield for Yield Improvement (1.1.1) from MSIL
2007-08	Yield Improvement Trophy from MSIL
	Outstanding Contribution to Supply Chain – Eicher Motors
	Significant Achievement in Business Excellence -CII Exim Bank
2006-07	Significant Achievement in Business Excellence -CII Exim Bank
	Yield Improvement Trophy –MSIL
	Overall Excellence Shield – MSIL
2002	Best Vendor in Sheet Metal Award – HMSI
2000	Productivity Award –ACMA
1999	Safety & Welfare Award –Haryana Govt.
	Excellence in Quality –ACMA
1998	Excellence in Quality –ACMA
1997	Award for Quality
1996	Merit Certificate for Productivity -ACMA
	Best Vendor Award –MSIL
	Merit Certificate for Productivity –NPC
1995	Best Vendor Performance Award –MSIL
1994	Best Vendor Award –MSIL
1993	Merit Certificate for Productivity –NPC

“ No matter how many goals you have achieved, you must set your sights on a higher one. ”

*Jessica Savitch*





“ Action springs not from thought, but from a readiness for responsibility. ”

*Dietrich Bonhoeffer*



*Jessica Savitch*



# CORPORATE SOCIAL RESPONSIBILITY

**The time is always right to do what is right.**

*Martin Luther King, Jr*



At JBML, corporate social responsibility is embedded in our business model as we firmly believe that contribution to economic, societal and environmental capital ensures long-term business sustainability and competitiveness.

Our community outreach program encompasses initiatives for the empowerment of rural communities by working towards their economic independence, improving social infrastructure and social upliftment. JBML has adopted Ekal Vidyalayas in remote villages of the country as we strongly believe that education is the best long term investment for improving lives and building a better nation. Besides this, we also extended our humble support to NGO's actively involved in the field of education, character building, health and sports.

JBML is committed towards protection of the environment for the benefit of the society, future generations and each of us as individuals.


Our committed efforts under this direction include:

- Effective management of our operational activities to minimise the adverse effects of our operations on the environment, health and safety
- Implementing effective policies for environment conservation
- Maintain an environmental health and safety management team and continually monitor, set and review the environment, health and safety objectives and targets
- Reduce waste and implement effective recycling of waste at manufacturing operations

Going forward, we will continue to align our business development to support inclusive growth, social equity and concern for the environment, thereby creating value for all our stakeholders.




# BOARD OF DIRECTORS




**Mr. S.K. Arya**  
Chairman and  
Managing Director



**Mr. U.C. Aggarwal**  
Director



**Mr. D. P. Agarwal**  
Director



**Mr. R. Dayal**  
Director



**Mr. Achintya Karati**  
Director



**Mr. Nishant Arya**  
Director



“ The difference between the impossible and the possible lies in a man's determination. ”  
*Tommy Lasorda*

# DIRECTOR'S REPORT

Dear Members,

M/s Jay Bharat Maruti Limited

On behalf of the Board of Directors of your Company, it is my privilege to present the 26<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2013 and Auditor's Report thereon.

## FINANCIAL RESULTS

The summarised financials are as below:

Particulars	₹ in lacs	
	2012-13	2011-12
Sales and other Income (Gross)	1,34,198	1,21,607
Earnings before interest, depreciation, tax and amortisation (EBIDTA)	9,705	8,845
Financial Cost	1,950	2,151
Depreciation	4,554	3,802
Profit Before Tax	3,200	2,892
Provision for Tax	1,047	929
Profit After Tax	2,153	1,963

## BUSINESS PERFORMANCE

As anticipated during the close of financial year 2011-12, the recovery of automobile sales during 2012-13 were far from being modest and as a natural corollary, the growth of auto component / auto ancillaries also suffered.

The economic recession, high inflation / interest rates blew away the momentum which was driving the sale of automobiles.

The sale of our esteemed joint venture partner, M/s Maruti Suzuki India Limited (MSIL) grew by a modest 3.30% during the financial year ended 31<sup>st</sup> March, 2013. The labour unrest at the Manesar Plant of MSIL also affected its operations.

The lower growth in the operations of our JV partner majorly affected the operations of your Company as your Company's maximum supplies are to MSIL.

However, the margins of your Company have improved due to better operational efficiency and lower financial cost.

During the financial year 2012-13, the gross turnover of the Company was ₹1,34,198 lacs as against ₹1,21,607 lacs in 2011-12, an increase of 10.35% (YoY). Profit After Tax was ₹2,153 lacs in 2012-13 as against ₹1,963 lacs in 2011-12, an increase of 9.68% (YoY).

## DIVIDEND & APPROPRIATIONS

### Dividend

Considering the performance of your Company from the previous year, your Directors recommend a dividend of 30% (i.e. ₹1.50/- per equity share of ₹5/- each) for the financial year 2012-2013 as against a dividend of 30% (i.e. ₹1.50 per equity share of ₹5/- each) for the financial year 2011-12.

### Appropriation

During the year 2012-13, an amount of ₹225 lacs (in 2011-12 - ₹180 lacs) was appropriated to the General Reserve.

The dividend income is tax free in the hands of shareholders.

## CREDIT RATING

### A. ICRA Rating:

ICRA has re-affirmed its credit rating of A1+ for short term instruments which is the highest rating for credit quality assigned by ICRA and A+ rating for long term debt Instruments indicating the outlook on the long term rating as "Stable".

## **B. CRISIL Rating**

CRISIL has awarded A1+ rating for Commercial Paper (CP) which indicates that the degree of safety regarding timely payment on the instrument is very strong.

## **QUALITY**

Your Company has implemented International Quality Management System in all the three manufacturing facilities based on requirement of ISO / TS 16949:2009. Apart from the above, your Company has also acquired the following certifications in all the three manufacturing facilities:

- (i) OHSAS-18001:2007 (ii) ISO-14001:2004

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement is annexed hereto, forming part of this Report.

## **HUMAN RESOURCES**

The overall employee relations were peaceful and harmonious throughout the year. Your Company continued to create a productive, learning and caring environment by implementing robust and comprehensive HR processes.

Various initiatives, training programmes provided to the employees are given elsewhere in the report.

## **DIRECTORS**

As per the Articles of Association of the Company and the relevant provisions of the Companies Act, 1956, Mr. U.C. Agarwal, Director and Mr. Achintya Karati, Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The above appointment is subject to the approval of the members in the ensuing Annual General Meeting. The Brief resume/ details relating to Directors, who are to be re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Notice convening the Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii. that appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31<sup>st</sup> March, 2013 and of the profit of the Company for the period ended 31<sup>st</sup> March, 2013;
- iii. that proper and sufficient care has been taken for 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;
- iv. that the annual accounts for the year ended 31<sup>st</sup> March, 2013 have been prepared on a going concern basis.

## **CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled Report on Corporate Governance along with Auditors' Certificate on its compliance is annexed hereto, forming an integral part of this report.

## AUDITORS AND AUDITORS' REPORT

The Statutory Auditors, M/s Mehra Goel & Co. will retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment on being eligible. The Company has received a certificate from the Auditors to the effect that the re-appointment, if made, would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

## APPOINTMENT OF COST AUDITOR

In compliance with the notification of the Ministry of Corporate Affairs dated 24<sup>th</sup> January, 2012 and on the recommendation of the Audit Committee, the Board of Directors have appointed M/s N.K. Jain & Associates, Cost Accountants as Cost Auditor of the Company to conduct the audit and submit the report for the financial year 2012-13.

## INFORMATION PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT 1956

The information required under the provisions of Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, is given in Annexure - I and forms an integral part of this Report.

## PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, the names and other particulars of the employees are set out in the Annexure II to the Directors' Report.

However, having regard to the provisions of Section 219 (1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## LISTING

The shares of your Company continued to be listed at the Bombay Stock Exchange Limited and the National Stock Exchanges of India Limited. Delisting from Calcutta Stock Exchange Limited is pending despite of completion of all formalities from the Company.

## TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 205A (5) of the Companies Act , 1956, the declared dividends which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the IEPF established by the Central Government pursuant to section 205C of the said Act.

## INDUSTRIAL RELATIONS

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

## ACKNOWLEDGEMENT

Your Directors acknowledge the continued assistance, guidance and co-operation received from M/s Maruti Suzuki India Limited & M/s Suzuki Corporation Limited (Japan) and other technical partners.

Your Directors also wish to convey their sincere thanks for continued support of the Central Government, State Government, Customers, Bankers and Suppliers / Vendors and other Business Associates and solicit their continuous support in future as well.

Your Directors take note of sincere efforts of all the employees at all levels in attaining the current level of achievements.

**For and on behalf of the Board**

**Place: Gurgaon**  
**Date: 15<sup>th</sup> April, 2013**

**S. K. ARYA**  
**Chairman & Managing Director**

# ANNEXURE - I

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

### (a) Conservation of Energy

Your Company is committed towards promoting an environmental compliant work culture which includes inter-alia conservation of energy. Various Energy conservation measures taken by the Company during the year under review are:

- Running of 6000 LPM pump in place of 8000 LPM pump for BIW.
- Installation of smart relay & timer on production office and administration block, air conditioners and rear axle cooling duct for non-productive hours.
- Installation of smart relay for stopping fans during lunch time.
- Replacement of lights to LED.

### (b) Research & Development, Technology Absorption, Adaptation and Innovation

#### FORM B

Research & Development (R&D)		
1.	Specific area in which R&D work is carried out	<p>Robotic Automation of presses</p> <p>Installation of Transfer press line</p> <p>Progressive dies</p> <p>Hamming presses</p> <p>Laser Technology</p>
2.	Benefit derived as a result of the above R & D	<p>Today in the era of continuous upgradation, we need to have focused endeavours in the area of research &amp; development, so as to meet the need for today's market and to meet the highest standards of quality which customers expect from the industry now. To take edge over the competitors, R&amp;D is inevitable to the Company.</p> <p>When it comes to the expected business standards, both in terms of quality &amp; quantity, continuous R&amp;D is the only plinth on which the organisation rely.</p> <p>Organisation is regularly improving its efficiency in terms of processing time as well as the cost with R&amp;D and technological upgradation activities.</p> <p>Installation of Transfer press line with highly automated &amp; advanced stroking system has increased the per hour production efficiency of the organisation. Also since the human intervention is minimal, it leads to saving in manpower cost along with the assurance of desired quality &amp; safety levels.</p> <p>Use of laser technology has resulted in localisation of laser operations in India instead of importing laser operated components from Japan.</p> <p>Induction of Hamming Process Technology has made the company capable enough to produce complete assembly of Outer skin panel, i.e:- Doors, Hood etc. at Manesar Unit.</p>
3.	Future plan of action	R&D is a continuous phenomenon instead of a one time activity; therefore in upcoming time as well the organisation is looking for a step ahead to adopt all the possible upgraded technologies so as to be amongst the highly automated automobile manufacturers.
4.	Expenditure on R & D	Not Identified Separately.
Technology Absorption, Adaptation and Innovation		
1.	Efforts in brief made for the technology absorption, adaptation and innovation.	<p>To meet the current business requirements in terms of quality &amp; quantity, the Company has imported &amp; absorbed the Japanese technology for production of Rear Axle for new models of MSIL.</p> <p>Highly automated &amp; advanced spot welding processes has been introduced &amp; absorbed.</p>
2.	Benefits derived as a result of the above e.g. product improvement, cost reduction, product development, import substitution	The introduction of above technologies has resulted in improvement in productivity and reduction in processing cost along with improvement and consistency in product quality & operational efficiency.

3.	In case of imported technology (imported during the last 5 years from the beginning of the financial year).	Information as required is stated herein below:
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Technology Imported	Year	Has Technology been fully absorbed?
For manufacturing of rear axle- RITZ model of MSIL, from Yorozu Corporation, Japan	2009-10	Yes
For manufacturing of rear axle of ASTAR and New WAGON-R from Okamoto Press-Japan.	2008-09 2009-10	Yes
For manufacturing of Rear Axle for New Swift Model of MSIL from Futaba Corporation, Japan.	2010-11	Yes
For electroplating of Neck component fuel filler for new Swift Model of MSIL from Hamamatsu Pipe Co & Daiwa Excel, Japan.	2010-11	Yes
For manufacturing of Rear Axle for Ertiga Model of MSIL from Futaba Corporation, Japan	2011-12	Yes
For electroplating of Neck component fuel filler for new Alto 800 and Eeco of MSIL from Hamamatsu Pipe Co & Daiwa Excel, Japan.	2012-13	Yes

Foreign Exchange Earnings and Outgo		
a.	Activities relating to exports	No direct export. However, components supplied by the Company are being used for export model of customers.
b.	Total foreign exchange used and earned	Foreign exchange outgo on account of Technical Assistance & Services / Know-How/ Royalty, Travelling and Interest etc. is ₹711.42 lacs (previous year: ₹1199.47 lacs) and foreign exchange earnings is Nil during the Year (previous year: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OVERVIEW

The global economy exhibited similarities with the conditions that prevailed in the previous year. Global growth remains historically low for the second year running with major centres of economic activity—particularly large emerging economies and key advanced economies slowed down, confirming the belief that the global economy is troubled by a slow and weak recovery.

Painful deleveraging – less spending and more saving to reduce debt and leverage – remains ongoing in most advanced economies, which implies slow economic growth. But fiscal austerity will envelop most advanced economies this year, rather than just the Eurozone periphery and The United Kingdom. Given synchronised fiscal retrenchment in most advanced economies, another year of mediocre growth could give way to outright contraction in some countries.

With growth anaemic in most advanced economies, major advanced economies' Central Banks – The European Central Bank, The US Federal Reserve, The Bank of England and The Swiss National Bank – have engaged in some form of quantitative easing, and they are now likely to be joined by The Bank of Japan, which is being pushed toward more unconventional policies by the new Government.

Many emerging markets – including the BRICs (Brazil, Russia, India and China) are now experiencing decelerating growth. Their “state capitalism” – a large role for state-owned companies; an even larger role for state-owned banks; resource nationalism; import-substitution industrialisation; and financial protectionism and controls on foreign direct investment – is the heart of the problem. Initiation and result of reforms aimed at boosting the private sector's role in economic growth remains to be seen.

Policymakers around the world remain concerned about the high unemployment and the social conditions in their countries. Even if The United States prevented the worst of the so-called fiscal cliff, the political brinkmanship over taxes and spending continues to affect the outlook for the world's largest economy, while the sovereign debt crises and the danger of a banking system meltdown in peripheral Eurozone countries remain unresolved.

The fear premium in oil markets may significantly rise leading to negative growth effects in The US, Europe, Japan, China, India and all other advanced economies and emerging markets that are net oil importers.

Although the probability of all these risks materialising is low, any one of them alone would be enough to stall the global economy and derail the recovery and have a lasting impact on the global economy. All these developments are highly interrelated and demand timely, decisive, and coordinated action by policymakers.

The Indian economy has witnessed yet another slowdown in 2012-13 with all the sectors of the economy affected. The economic survey released by the Government of India paints a “cautiously optimistic” picture of the economy by not only estimating that GDP growth will be 5 per cent this fiscal, the lowest in a decade but also estimating a growth rate of 6.1-6.7 per cent for the year 2013-14 simultaneously claiming that the downturn is more or less over and economy is looking up also recognising the need for reforms.

Falling growth and consequently falling Government revenues have taken a toll on Government's savings and without any corresponding fall in aggregate investment has led to the widening of Current Account Deficit. While the report does reiterate slowdown, it also supplements the Government's commitment of minor slippage in fiscal deficit and that the way out is a credible fiscal consolidation plan which can help lead to macro-economic and price stability.

The adverse impact of inflation is well reflected in lower savings rate, wider Current Account Deficit and still elevated interest rates for investments.

World Bank scaled down India's growth forecast to 6.1% for the current fiscal from 7% projected earlier. However, the multi-lateral funding agency said that India is regaining economic momentum and growth is expected to recover gradually to its high long-term potential.

Structural bottlenecks ruin the aspirations for the near double-digit expansion as road, power and mining projects worth billions of dollars have been held up for years because of delays in getting multiple regulatory clearances.

Capital investment is expected to slow down and growth in private consumption is expected to moderate which will help keep inflation in check and encourage the Reserve Bank of India (RBI) to cut interest rates further to help spur investments and consumer demand.

The growth of the Indian Economy will predominantly be guided on the following indicators:

- Recovery of Global Economy;
- Unified political consensus on stable and growth oriented policy framework, reforms etc;
- Containment of fiscal deficit by adoption of fiscal prudence, inflation, stable interest rates;
- Currency appreciation and sufficient foreign exchange inflow;
- Opening up / permitting more FDI Investment in priority sectors;
- Bouncing back of the service sector which has shown more resilience to worsening external conditions than agriculture and industry;
- Incentive based business approach for setting up / expansion of manufacturing sector for creating new / increased job opportunities.

The automobile sector which is one of the key indicators of how well an economy is doing is facing a turbulent environment which is reflected from the data as under:

- New-car sales in Europe are at the low end of expectations and the market is likely to remain shaky for some time as the region implements austerity measures to cut its debts.
- There's still enormous potential in China, but the market has slowed from double-digit growth to single digits, and that will remain so in the future thereby raising the risk of over-dependence and overcapacity.
- There is only exception with the US where it is expected that light-vehicle sales will rise in future due to pent-up demand as the average car on the road in the United States is around 11 years old but there is a very big difference between having pent-up demand and triggering the release of that demand.

In India, the sales growth rate of passenger cars nosedived to a twelve year low in February this year, logging a 25.71 % dip to 1,58,513 units as burgeoning fuel prices, increasing interest rates, along with poor consumer sentiments, taking a beating.

The cumulative production data for April-March 2013 shows production growth of only 1.20 % over the same period last year. The overall growth in domestic sales during April-March 2013 was 2.61 % over the same period last year. The overall automobile exports registered de-growth of (-) 1.34 % compared to the same period last year.

It is anticipated that in the next three-four months there is no likelihood of any significant improvement, even new model launches are unlikely to lift the sentiments but there is a sense of optimism that in the second half of the year 2013-14, sales may again pick up.

## BUSINESS PERFORMANCE

The Indian auto / auto components industry is facing its most formidable challenge – slowdown in demand; and that too across the segments. After a frenzied period of 2009-10 and 2010-11, when all automotive spots - domestic OEMs, exports and replacement market-shone bright, the year 2011-12 marked the commencement of a slowdown phase as volumes in the domestic Passenger Vehicle (PV) and Medium & Heavy Commercial Vehicle (M&HCV) segments began to stutter.

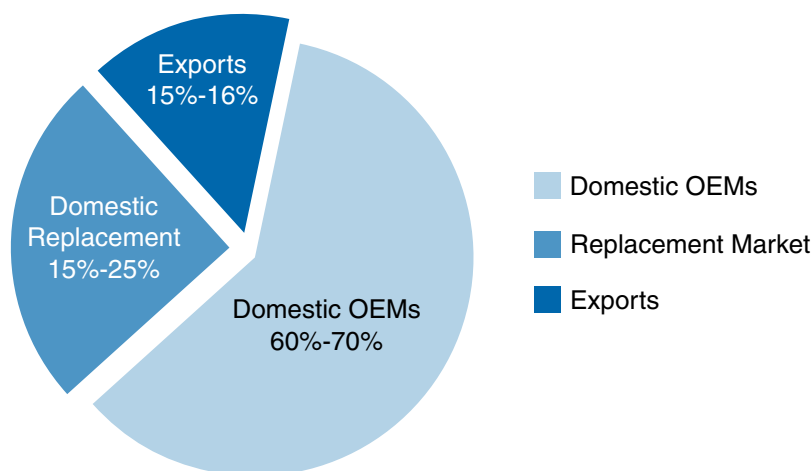
The year 2012-13 turned out to be worse as other segments too including the domestic two-wheeler segment as also exports to overseas OEMs and tier-1 players have slowed down.

In 2011-12, the auto component manufacturers were grappling with a rising cost scenario due to volatile currency movements, firm interest rates and inflation in other overheads. While there has been no significant change in character of any of the above forces during 2012-13, the biggest trepidation for auto parts makers currently springs from tepid automobile demand. Decline in revenues (on YoY basis) had significantly hurt both profits as well as margins of auto component manufacturers in 2012-13.

The business performance of the auto component industry mirrors the performance of the OEM industry and is largely dependent on it for its existence, survival and growth.

As per the Industry estimate, market of auto component industry is broadly categorised as under:

- (i) 60% - 70% caters to the needs of domestic OEMs.
- (ii) 15% - 20% caters to the needs of domestic replacement market
- (iii) Remaining are export sales



The above estimate gives a fair idea of the relationship of the auto component industry with the OEMs.

On the other hand, the existence of auto component manufacturers provide the required impetus to the OEMs in terms of the formers ability to manufacture and timely deliver quality goods at reasonable prices. Indian auto component manufacturers offer advantages like low-cost and adequate production capacity with world class technology and consequently OEMs are increasing level of localisation in products offered by them in the Indian markets to keep costs low without compromising quality.

Indian auto component makers are facing the heat of a global auto slowdown. As growth in commercial vehicle and passenger car segments slipped faster than expected, the component makers' supplies to Original Equipment Makers (OEMs) fell, too.

The current year's drop will be a combination of falling exports and domestic demand. The currency edge that the Indian exporters enjoyed in the early part of the current fiscal on account of a depreciating rupee has receded with the global downturn already reduced the overall demand for auto products. Domestic demand has fallen due to strict Government measures to tame inflation and to correct deficit which was done through increase in rate of interest, reducing subsidies on oil etc. which muted the splendid growth of automobiles.

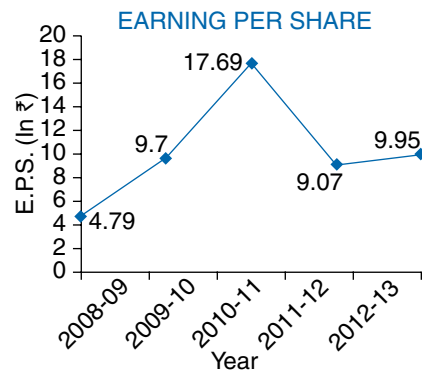
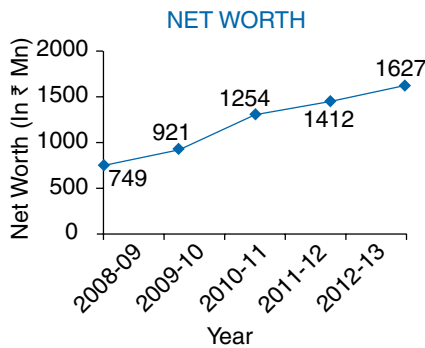
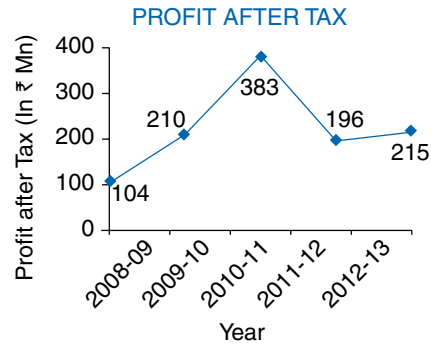
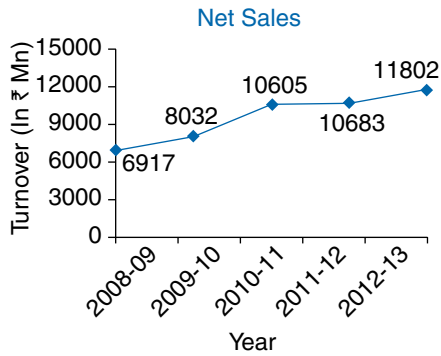
The only silver lining is that going forward raw material costs could reduce as commodity prices soften globally. The return on capital employed may also fall as firms had expanded capacity.

Stretched working capital needs, albeit mitigated by most firms through efficient inventory management, could also be a tad higher for another year until sales pick up and interest rates cool off.

Your Company mainly caters to the needs of its esteemed joint venture partner - M/s Maruti Suzuki India Limited (MSIL).

As you are aware, during the financial year 2012-13, the issue of labour unrest prevailed in the whole of Gurgaon-Manesar Industrial belt affecting many OEMs which indirectly jolted the operations of auto components manufacturers like your Company directly affecting sales and profits.

The labour unrest at the premises of MSIL shook the operations of your Company upto a certain period. As the labour woes ended at the premises of MSIL, economic downturn took its toll as though the swords of inflation, high interest rates and high oil prices were not enough.



A brief on the performance of your Company during the past five years is as under:

The performance of your Company during the financial year ended 31<sup>st</sup> March, 2013 is as under:

Particulars	2012-13	2011-12	Change (%)
<b>Gross Sales</b>	1,33,855.59	1,21,384.12	10.27
Less: Excise Duty	15,832.93	14,552.68	8.80
<b>Net Sales</b>	1,18,022.66	1,06,831.45	10.48
Other Income	342.22	223.03	53.44
<b>TOTAL</b>	1,18,364.88	1,07,054.48	10.57
<b>EXPENDITURE</b>			
Material Cost	94,200.38	85,776.61	9.82
Manpower Cost	6,256.60	5,690.31	9.95
Manufacturing, administrative and other expense	8,203.28	6,742.83	21.66
Financial Charges	1,950.00	2,150.56	(-).9.33
Depreciation	4,554.35	3,801.78	19.80
<b>TOTAL EXPENDITURE</b>	1,15,164.61	1,04,162.09	10.56
<b>Profit Before Tax</b>	3,200.27	2,892.39	10.64
<b>Less: Provision for Income Tax</b>			
<b>- Total Tax provisions</b>	1,047.14	929.48	12.66
<b>Profit After Tax</b>	2,153.13	1,962.91	9.69

**FINANCIAL PERFORMANCE RATIOS**

(As a Percentage of Net Sales)

Parameters	2012-13	2011-12	Change (YoY)
Material Cost	79.82	80.29	(-) 0.47
Employee Cost	5.30	5.33	(-) 0.03
Manufacturing, Admin & Other Expenses	6.93	6.31	(+) 0.62
Depreciation	3.86	3.56	(+) 0.30
EBIDTA	8.20	8.26	(-) 0.06
Profit Before Tax	2.71	2.71	Nil
Profit After Tax	1.82	1.84	(-) 0.02

(+) indicates increase

(-) indicates decrease

## WORKING CAPITAL MANAGEMENT

The Company adopts prudent working capital management practices and uses meticulous planning for managing its day-to-day requirements of working capital funds. There is a comprehensive plan in place for all inflow and outflow of funds at all periods of time. The Company has stopped availing cash discount from M/s Maruti Suzuki India Limited and started using bank borrowing for meeting its working capital requirement. This has resulted into savings of fixed cost for the Company as the Company has avoided fixed liability of discount by this change. Also, cashflow system has been more streamlined which has also resulted into optimisation of funds and saving of interest cost. Besides, the Company has departmental budget system, wherein the requirement of each department for the cost of funds is chalked out in advance and planning is done to make funds available in a timely manner, not compromising on the cost of availability of funds and idle funds.

## FOREIGN EXCHANGE RISK MANAGEMENT

The Company has incurred capital expenditure in foreign currency for expansion related activities and hence, is prone to changes in the foreign exchange movements. However, the Company has an appropriate policy in place for transacting in foreign exchange. Appropriate hedging strategy is followed without exposure to undue risk.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate system of Internal Control to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised recorded and reported correctly.

The Company's internal control system ensures the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals and compliance with laws and regulations.

Your Company is successfully running the SAP-ERP solution regime, which has improved the overall operational control and the delays in obtaining relevant information. The solution will accelerate effective decision-making.

The internal control system ensures that all records (financial or other) are reliable for preparing financial information and other data and for maintaining accountability of assets.

An elaborate internal audit is done by the external Chartered Accountant firm M/s Sahni Natarajan & Bahl, Chartered Accountants. Their reports on the internal controls and their adequacy are regularly discussed with the management and corrective measures, wherever required, are taken and continuously monitored.

The Audit Committee of the Board meets regularly to review the adequacy of internal controls. Corrective actions are taken, if necessary, based on internal audit findings. The Management is reasonably satisfied with the adequacy of internal control systems.

## HUMAN RESOURCES

Your Company believes that the success of an enterprise lies in the harmonisation and seamless working of all classes of asset. Amongst various assets, your Company considers human asset, the most valuable and irreplaceable. It's the success of the employees that the Company has achieved commendable heights till now.

Your Company is committed to the overall development of its workforce and will always walk an extra mile towards their welfare and overall prosperity.

Some of the activities undertaken during the financial year 2012-13 are as under:

Name of Events	Purpose
Merit award Distribution	To facilitate meritorious wards of Employees
Environment Day Celebration	To creating awareness amongst employees about environmental safe practices
Medical Check ups	To medically check all the workers & Employees for employment.
Open House session	General Discussion upon various issues.
Republic Day Celebrations.	To spread a strong message of patriotism & Nationalism.
Kaizen Award Celebration	To motivate employees for more Kaizen
Fire hydrant operating Training	Creating awareness amongst employees about Fire Hydrant safe practices.
Carrom & Chess Competition	To foster the culture of enthusiasm, zeal and competition

## CORPORATE SOCIAL RESPONSIBILITY

Your Company's social initiatives comprise of: providing monetary assistance for social causes, helping protect the environment by conservation of resources or reducing the carbon footprint. The management is committed to travel an extra mile towards Corporate Social Responsibility.

## ENVIRONMENT, HEALTH & SAFETY (EHS)

Environment protection, conservation of natural resources and employee safety at work place represent key concerns of your Company. The Management is taking various initiatives through the involvement of employees to protect the environment, improve health and safety at workplace and believe in proactive compliance with legal and other requirements.

Your Company has established, implemented and maintained the Integrated Management System (IMS) based on the requirements of International Standards like ISO 14001 (Environmental Management System), OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO/TS 16949 (Quality Management System).

Your Company had taken several EHS initiatives comprising the following:

- (i) Using energy efficient LED lights / increased usage of natural light for better Lux level and energy saving;
- (ii) Comfort cooling and better exhaust system are installed in plant for better working environment;
- (iii) Increased visual displays on safety in all manufacturing areas for better awareness on safety amongst employees.

## OPPORTUNITIES AND THREATS

Recent trends in the global automotive industry has seen a paradigm shift in the relationship between the various stakeholders of the automotive value chain and a growing need for consolidation and redefining business scope.

Need for high resource commitments, nature of the Industry (scale sensitivity), the current stage in the industry's life cycle, increasing competition and declining unit profit margins have forced automobile manufacturers to merge, form alliances, or co-operate in the fields of R&D, production, marketing and distribution.

With the tierisation of suppliers, the Tier 1 suppliers, (those who directly supply to OEMs) have increasingly taken on the role of module integrators and have come under severe cost pressures from the OEMs as a direct result.

The OEM-vendor relationship has changed drastically over the past few years and it is now costs and not allegiances, which determine who carmakers buy from.

## OPPORTUNITIES

The component industry in India has significant cost advantages primarily due to lower labour cost. Since Tier 1 suppliers control the global component industry the cost advantage should be leveraged into attracting these global players to set up manufacturing base in India. This low cost labour is not a factor for long-term competitiveness, and improvement in scale, quality, technology and investment in critical processes, are necessary to sustain the cost competitiveness.

There are a number of favorable factors, which are;

### 1. Trained and skilled human resources

Trained and skilled labour force is available in abundance in India and that to at affordable prices as compared to western countries which reduces the cost of operations and maintains dependable margins.

### 2. Growing entrepreneurship

The younger generation of India is adventurous and keener on entrepreneurship than a routine job. More entrepreneurs will give a boost to production which will remove scarcity in supply side and give impetus to capacity enhancement.

### 3. Growing domestic market

The domestic market for automotive industry grew at a very rapid pace in the past and has the potential to grow manifold in the future.

#### **4. Expanding global markets**

Sourcing inputs from India is comparatively cost effective as compared to other countries which will boost exports.

#### **5. Economic liberalisation**

With the abolition of licensing regime and liberal foreign direct investment policy, this sector has seen and will see in future, more collaboration in terms of Joint Venture partnerships, foreign investment, technical assistance etc. which will boost the requirement of expertise and capital.

### **THREATS**

The threats basically pertain to the inherent weaknesses that plague this industry due to some situations which can be controlled and some uncontrollable situations.

#### **1. Small in size**

The size of the Indian auto component industry is minuscule as compared to its global counterparts and it is also not growing in sync with the growth of the domestic OEMs. It is currently a small and fragmented industry by global standards.

#### **2. Increased competition**

With the Indian auto industry poised to become an automotive hub, the intensity of competition in this sector is increasing and with cost cutting being the only mantra, is putting further pressure on margins.

#### **3. Inferior quality**

Quality up gradation presents the most important challenge for Indian component suppliers and the thrust should not be only towards acquiring certification but also working towards improving the quality standards of manufactured products.

#### **4. Lower labour productivity**

The advantage of low cost labour is negated due to lower productivity level of workforce resulting from lack of proper guidance and performance incentives.

#### **5. Government policies**

No Industry is viable unless there is a supportive Government policy in place. Presently, the growth of this sector is marred by policies of the Government towards taming high inflation, reduction of subsidies on fuel etc. which are not favourable for the automotive sector. It is expected that with the lowering of inflation, cooling of International Crude Oil prices and stable Rupee, the Government will have a more automotive friendly policies in place to revive the fortunes of this sector.

### **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 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 realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

Factual data / figures etc. referred in this report has been taken from the reports of various rating agencies / consulting firms and the Economic Survey - 2012-13 released by the Government of India.

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY

The Company duly recognises the importance of Corporate Governance and is strongly committed to good Corporate Governance practices. The Company endeavors to maximise the value in terms of maximisation of wealth, returns and growth of its stakeholders, customers, shareholders, employees, government, and lenders including the society of which the Company is a part and believes in providing information to all stakeholders on the performance of the Company.

Your Company is complying with the norms of Corporate Governance, as defined by Clause 49 of the Listing Agreement of Stock Exchanges and a report on the same is as under.

## BOARD OF DIRECTORS

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

### a) Composition of Board

The composition of the Board is in line with the requirements of Clause 49 of the Listing Agreement entered into with the stock exchanges in India.

As on 31<sup>st</sup> March, 2013, the Board of Directors consists of 6 Directors (3 Promoter Directors and 3 Independent Directors) including an Executive Chairman, one Non-Executive Nominee Director and four Non-Executive Directors. Independent Directors do not have any material, pecuniary relationship or transactions with the Company, its Promoters, its Directors, and its Senior Management Personnel, which may affect their independence.

The Directors bring to the Board a wide range of experience and skills. The Board is primarily responsible to protect and enhance the shareholders value. The Board reviews the corporate performance periodically and safeguards the interest of the shareholders. The Executive Directors are responsible for proposing strategy and for making and implementing operational decisions. Non-Executive Directors complement the skills and experience of the Executive Directors, bring independent judgement and contribute to the formulation of strategy, policy and decision-making through their knowledge and experience of other businesses and sectors.

The details of Directors, category of Directors, no. of other Directorship/ Committee Membership held by them as on 31<sup>st</sup> March, 2013 are given below:

Name of Directors	Category of Directorship	Promoter/ Independent Director	Directorship in other companies (Nos.) <sup>1</sup>	Committees <sup>2</sup>	
				Members (No.)	Chairman (No.)
Mr. S. K. Arya	Chairman & Managing Director	Promoter	12	2	1
Mr. U. C. Aggarwal	Non-Executive Director	Independent	1	2	1
Mr. D.P. Agarwal	Non-Executive Director	Independent	4	-	-
Mr. R. Dayal <sup>3</sup>	Non-Executive Director	Promoter	1	1	1
Mr. Nishant Arya	Non-Executive Director	Promoter	5	-	-
Mr. Achintya Karati	Non-Executive Director	Independent	6	5	-

1. Excludes Directorships of Private Limited Companies, Foreign Companies and Companies under the provisions of Section 25 of the Companies Act, 1956 and alternate directorships.
2. Committee here means Audit Committee and Shareholders/ Investors Grievance Committee (Other Companies).
3. Nominee of M/s Maruti Suzuki India Limited.

None of Directors of the Company was holding Directorship in more than 15 Public Limited Companies or was member in more than 10 Committees or acted as Chairman of more than 5 Committees across all companies in which they were Directors.



## b) Board Meetings

The Company has held one Board Meeting in every three months and the maximum time gap between any two such meetings was not more than four months. Four Board Meetings were held during the financial year 2012-2013. The dates on which meeting were held are as follows: on 16<sup>th</sup> April, 2012, 13<sup>th</sup> July, 2012, 13<sup>th</sup> October, 2012, and 15<sup>th</sup> January, 2013.

The details of the meetings of the Board of Directors attended by the Directors and also attendance at last Annual General Meeting by the Directors are as under:

Name of Directors	Nos. of meeting held during the FY 2012-13	Nos. of meeting attended	Attendance at last Annual General Meeting
Mr. S. K. Arya	4	3	Yes
Mr. U. C. Agarwal	4	4	Yes
Mr. D. P. Agarwal	4	2	Yes
Mr. R. Dayal	4	3	No
Mr. Nishant Arya	4	3	Yes
Mr. Achintya Karati	4	4	Yes

## CODE OF CONDUCT

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board and has been circulated to all concerned and the same is hosted on the website of the Company.

## AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of Clause 49 of the listing agreement and also meets the requirements of Section 292A of the Companies Act, 1956.

### a) Composition

The Audit Committee comprises of following four Non-Executive Directors:

- a) Mr. U. C. Agarwal, Chairman
- b) Mr. D. P. Agarwal, Member
- c) Mr. Nishant Arya, Member
- d) Mr. Achintya Karati, Member

Chairman cum Managing Director, President & CFO and statutory auditors are also invited in the Audit Committee Meeting.

Mr. S. Kartik, Company Secretary is the Secretary of the Audit Committee.

The Chairman of the Committee including other members of the Audit Committee were present at the last Annual General Meeting.

### b) Role

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
3. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
4. Reviewing with the Management, the quarterly/ annual financial statements before submission to the Board for approval.
  5. Reviewing with the Management, performance of statutory and internal auditors, the adequacy of internal control system
  6. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  7. Discussion with internal auditors about any significant findings and follow up thereon.
  8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  10. Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  12. Reviewing any other matter which may be specified as role of the Audit Committee under the amendments, if any, from time to time, to the listing agreement, Companies Act, 1956 and other statutes.

**c) Meetings and Attendance**

Four Meetings of the Audit Committee were held during the financial year 2012-13 on 16<sup>th</sup> April, 2012, 13<sup>th</sup> July, 2012, 13<sup>th</sup> October, 2012 and 15<sup>th</sup> January, 2013.

The details of the meetings of the Audit Committee attended by the members are as under:

Members of the Committee	Meetings held during the FY 2012-13	Meetings attended
Mr. U. C. Agarwal	4	4
Mr. D. P. Agarwal	4	2
Mr. Nishant Arya	4	3
Mr. Achintya Karati	4	4

**REMUNERATION COMMITTEE**

**a) Responsibilities**

The Company has Remuneration Committee to consider/discuss/ finalise the remuneration package to be paid to the Managing Director and other Executive/Non-Executive Directors.

**b) Composition**

The Remuneration Committee comprises of following four Non-Executive Directors.

- a) Mr. U. C. Agarwal, Chairman
- b) Mr. D. P. Agarwal, Member

- c) Mr. Nishant Arya, Member
- d) Mr. Achintya Karati, Member

The Committee considers financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc. while deciding the remuneration.

Non-Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company. They do not draw any remuneration, except sitting fees for attending meetings of the Board/Committee. The Sitting fee was paid to M/s Maruti Suzuki India Limited for meetings attended by nominee of M/s Maruti Suzuki India Limited.

#### b) Meeting

The Remuneration Committee has once met during the financial year 2012-13 i.e. on 16<sup>th</sup> April, 2012.

There is no change in the remuneration package of Managing Director. However, the same is within the permissible limits of shareholder's approval dated 30<sup>th</sup> August, 2008.

Detail of sitting fee/remuneration paid to Directors during the year 2012-13 is as under:

Remuneration paid to Managing Director		Sitting Fees paid to Non-Executive Directors			No. of equity share held	
Particulars	Amount (₹/lacs)	Name of Directors	Meetings			Total
			Board	Committee		
Salary & allowances	91.68	Mr. U. C. Agarwal	60000	75000	135000	-
Other Perquisites	28.31	Mr. D. P. Agarwal <sup>1</sup>	-	-	-	-
Contribution to provident and other funds	6.36	Mr. R. Dayal <sup>2</sup>	45000	-	45000	-
Commission	31.00	Mr. Nishant Arya	45000	45000	90000	4000
<b>Total</b>	<b>157.35</b>	Mr. Achintya Karati	60000	75000	135000	

1. Fee was waived w.e.f. 14<sup>th</sup> July, 2005;
2. Fee was paid in the name of MSIL, being its nominee director.

### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

#### a) Composition

As on 31<sup>st</sup> March, 2013 the following Directors comprised this Committee:

- a) Mr. U. C. Agarwal, Chairman
- b) Mr. S. K. Arya, Member
- c) Mr. D. P. Agarwal, Member

Mr. S. Kartik, Company Secretary is Secretary of the Committee.

#### b) Scope of the Committee:

- The Committee deals with transfer, transmission, duplicate issue, rematerialisation of shares, split, shareholders' grievance & other related matters; and
- For speedy disposal of cases, the Committee has severally authorised President & CFO and Company Secretary to transfer maximum 5000 shares at a time and issue of duplicate share certificates on account of split/remat/ mutilation of certificate on weekly basis.
- The Committee meets for transfer of shares beyond such limit/ transmission of shares/ issue of duplicate certificate(s) on loss of old certificate(s)/split/remat & to look into non-receipt of balance sheet/dividend etc. and for any other grievances on need basis. The details of correspondence of shareholders/SEBI/Stock Exchanges or any other authority is being provided to Committee along with MIS.

The Company has obtained following certificates/ Reports from Practising Company Secretary :

- Certificate for compliance of share transfer formalities by the Company pursuant to Clause 47(c) of the listing agreement on half-yearly basis;
- Reconciliation of Share Capital Report for reconciliation of the share capital of the Company pursuant to SEBI's circular on quarterly basis.

The dividend request/dividend revalidation, demat / remat and other requests of shareholders are generally processed on weekly basis or at an earlier date on need basis.

The Company has appointed M/s MCS Limited as Registrar and Share Transfer Agent (RTA) to take care of share transfer related formalities / Demat / Remat etc. Investor may contact the RTA at the below mentioned address:

**MCS Limited**  
**(Unit: Jay Bharat Maruti Limited),**  
 F – 65, Okhla Industrial Area  
 Phase - I,  
 New Delhi-110020  
 Tel.: 011-41609386/41406149/41709885  
 Fax: 011-41709881  
**E-mail: admin@mcsdel.com**

As on 31<sup>st</sup> March, 2013, no share transfer was pending. All the share transfers have been affected well during the year within the prescribed time period.

**Status of shareholders correspondence as on 31<sup>st</sup> March, 2013 is given here in below:**

Nature of correspondence	Receipt (nos.)	Replied/Resolved (nos.)	Pending (nos.)
Change of address/mandate	9	9	-
Remat request	0	0	-
Dividend non-receipt/revalidation	40	40	-
Others (e.g. loss of shares, demat credit, non-receipt / exchange of certificate on split & misc.)	17	17	

## ANNUAL GENERAL MEETING

**Details of last three annual general meetings of the Company:**

2011-12	2010-11	2009-10
On Thursday, the 21 <sup>st</sup> August, 2012 at 11.00 a.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010	On Thursday, the 18 <sup>th</sup> August, 2011 at 11.00 a.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010	On Monday, the 16 <sup>th</sup> August, 2010 at 11.00 a.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010
~ No resolution was either required or passed through postal ballot in last three years;		
~ No resolution is proposed through postal ballot this year;		
No special resolution was passed.	No special resolution was passed.	No special resolution was passed.

## DISCLOSURES

- During 2012-13, other than the transactions entered into in the normal business course and reported as the related party transactions in the annual accounts, the Company had no materially significant related party transactions i.e. transaction of the Company of material nature with its promoters/director/senior management or relatives etc., which could have a potential conflict with the interest of Company at large.
- The Audit Committee is briefed of the all related party transaction undertaken by the Company.
- The Senior Management has made disclosure to the Board that they did not have personal interest in any material financial and commercial transactions that could result in a conflict with the interest of the Company at large.
- In the preparation of financial statements for the year 2012-13, the Company has followed Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006.
- The Company has a Code of Conduct for its Board and Senior Management (as per Corporate Governance Code) and the same is available at the Company's website. The Company has obtained a compliance certificate from all concerned.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.
- The Company does not have a formal Whistle Blower Policy.
- The Company is complying with mandatory requirements and partly complies with non-mandatory requirements such as :
  - re-imbusement of expenses to Non-Executive Chairman;
  - Remuneration Committee of all Independent & Non-Executive Directors;
  - though half yearly results with summary of significant events in last six-months are not sent to each household of shareholders, however the quarterly results are posted on the websites of Company, Stock Exchanges and also published in the newspaper ;
  - the financial statements of the Company are without qualification;

## COMMUNICATION

The Company publishes unaudited quarterly/half yearly financial results reviewed by auditor and audited annual financial results in newspapers and are regularly updated on the Company's website at [www.jbm-group.com](http://www.jbm-group.com). The said results are also informed to Stock Exchanges where shares of the Company are listed. The results are usually published in Financial Express / The Mint (Delhi & Mumbai, English Edition) and Jansatta / Rashtriya Sahara (Delhi, Hindi Edition). The Company also issues news releases on significant corporate decisions/ activities and posts them on website.

Management Discussion & Analysis report is part of the Annual Report and enclosed separately.

## GENERAL SHAREHOLDERS' INFORMATION

### Annual General Meeting

Day, Date & Time	: Monday, 19 <sup>th</sup> August, 2013 at 11.00 a.m.
Venue	: Airforce Auditorium, Subroto Park, New Delhi - 110010
Financial Year	: 2012-13
Date of Book Closure	: 6 <sup>th</sup> August, 2013 to 19 <sup>th</sup> August, 2013 (Both days inclusive)
Dividend Payment date	: Between 24 <sup>th</sup> August, 2013 to 7 <sup>th</sup> September, 2013 (Subject to members' approval at the ensuing AGM)

### Financial Calendar (tentative and subject to change)

Financial reporting for the Financial Year 2012-13 (April – March):

1 <sup>st</sup> quarter ending on 30 <sup>th</sup> June, 2012	: July 2012
2 <sup>nd</sup> quarter ending on 30 <sup>th</sup> September, 2012	: October 2012
3 <sup>rd</sup> quarter ending on 31 <sup>st</sup> December, 2012	: January 2013
Year ending on 31 <sup>st</sup> March, 2013	: April 2013

## LISTING ON STOCK EXCHANGE

The shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE).

<b>Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 Tel. No. 022-22721233/34 Fax: 022-22721919	<b>The National Stock Exchange of India Limited,</b> Exchange Plaza, 5th Floor, Plot No.- C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, Tel.: 022-26598110-14 Fax : 022 – 26598120
Security Code: <b>520066</b>	Security Code: <b>JAYBARMARU</b>
<b>ISIN NO. for NSDL &amp; CDSL: INE 571B01028</b>	

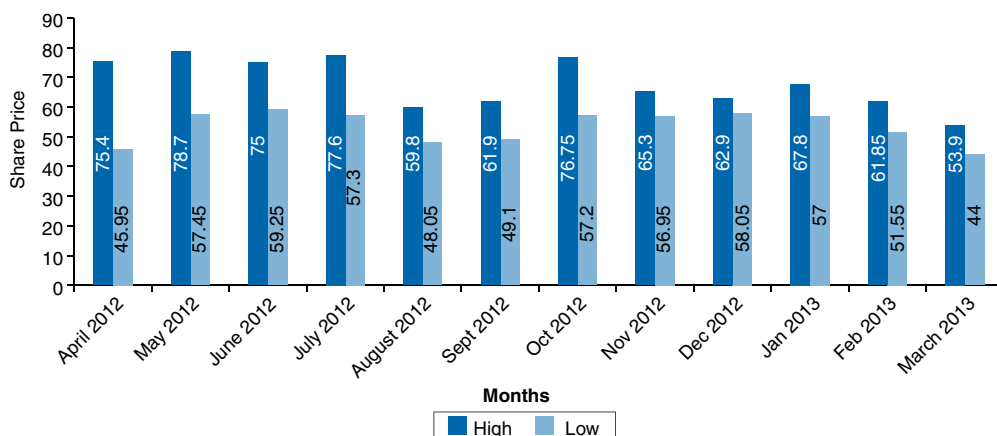
The listing fee has already been paid to NSE and BSE and annual custodian fee has been paid to the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for the financial year 2012-13. Application for voluntary delisting, as per your approval, is pending with Calcutta Stock Exchange Limited.

## STOCK MARKET DATA:

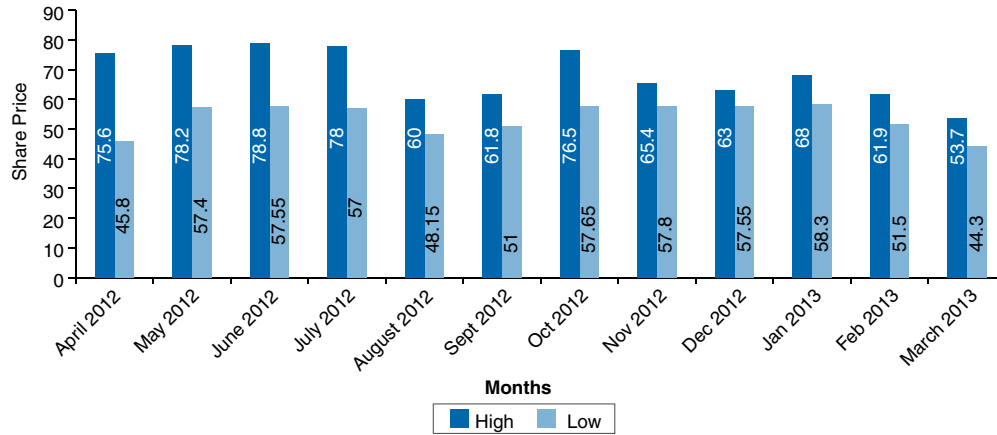
## Share Price Movement: The monthly High/Low Prices and Volume during the financial year 2012-13:

Month	The National Stock Exchange of India Limited			The Bombay Stock Exchange Limited		
	High (₹)	Low (₹)	Volume (Nos)	High (₹)	Low (₹)	Volume (Nos)
April 2012	75.6	45.8	693390	75.4	45.95	524832
May 2012	78.2	57.4	245882	78.7	57.45	280234
June 2012	78.8	57.55	386268	75	59.25	344373
July 2012	78	57	160476	77.6	57.3	144264
August 2012	60	48.15	47282	59.8	48.05	40435
Sept. 2012	61.8	51	40615	61.9	49.1	37152
Oct. 2012	76.5	57.65	1163642	76.75	57.2	627845
Nov. 2012	65.4	57.8	108362	65.3	56.95	40962
Dec. 2012	63	57.55	67866	62.9	58.05	45910
Jan. 2013	68	58.3	260714	67.8	57	101815
Feb. 2013	61.9	51.5	51057	61.85	51.55	141663
March 2013	53.7	44.3	93541	53.9	44	77094

MONTHLY HIGH &amp; LOW AT BSE

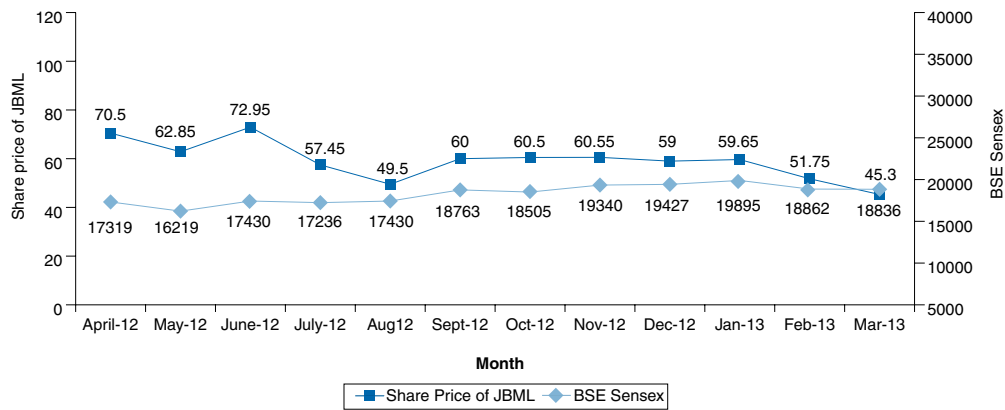


**MONTHLY HIGH & LOW AT NSE**

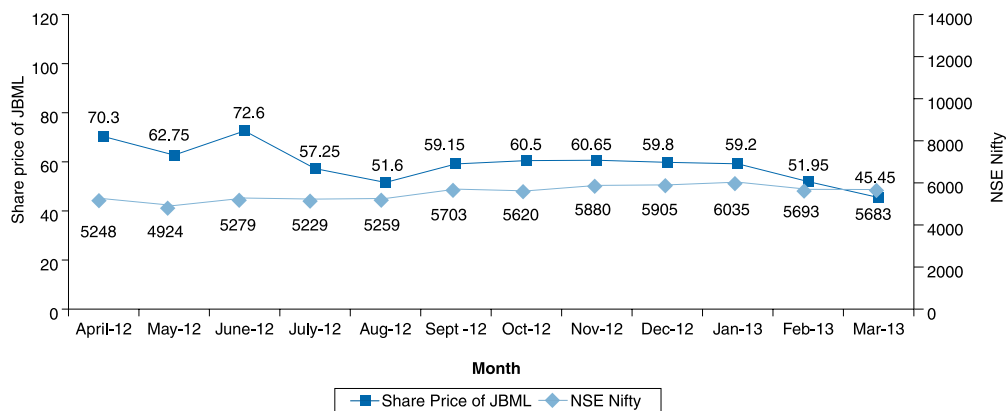


Performance in comparison to broad based indices during 2012-13: A comparison of monthly closing share price at BSE and NSE with monthly closing BSE Sensex & NSE S&P CNX Nifty is as follows:

**JBML SHARE PRICE MOVEMENT VS. BSE SENSEX**



**JBML SHARE PRICE MOVEMENT VS. NSE NIFTY**



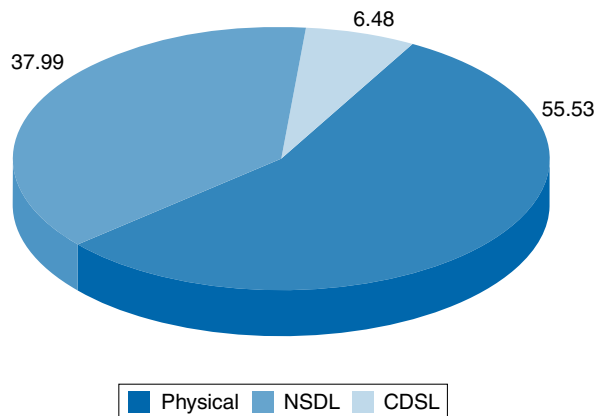
**Distribution of Shareholding as on 31<sup>st</sup> March, 2013**

No. of equity share held	Folio		Shares	
	Nos.	Percentage	Nos.	Percentage
1-500	9432	89.51	1128389	5.21
501-1000	539	5.12	432200	1.99
1001-2000	299	2.84	470736	2.17
2001-3000	81	0.77	207324	0.96
3001-4000	54	0.51	196223	0.90
4001-5000	22	0.21	101368	0.47
5001-10000	50	0.47	371387	1.72
10001-50000	38	0.36	919085	4.25
50001-100000	3	0.03	209320	0.97
100001 & above	19	0.18	17613968	81.36
<b>Total</b>	<b>10537</b>	<b>100.00</b>	<b>21650000</b>	<b>100.00</b>

**Category of shareholders holding shares in Company as on 31<sup>st</sup> March, 2013**

Category	No. of shareholder	Percentage	Shares held	Percentage
Physical	3206	30.43	1403157	6.48
NSDL	4955	47.02	12022644	55.53
CDSL	2376	22.55	8224199	37.99
<b>Total</b>	<b>10537</b>	<b>100.00</b>	<b>21650000</b>	<b>100.00</b>

**SHAREHOLDING PATTERN**



The shares of the Company are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**The name and addresses of the Depositories are as under:**

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, 4 <sup>th</sup> Floor Kamala Mills Compound Senapathi Bapat Marg Lower Parel, Mumbai – 400013 Tel. No. 022 – 24994200 Fax No. 022 – 24976351 E Mail : info@nsdl.co.in	Phiroze Jeejeebhoy Towers, 28 <sup>th</sup> Floor, Dalal Street, Mumbai – 400023 Tel No. 022- 22723333 Fax No. 022-22723199 / 22722072 E Mail: investor@cdslindia.com



**Valuation of Shares: The closing price of the Company's share as at 31<sup>st</sup> March, 2013 at:**

Name of the stock exchange	Share price
The Bombay Stock Exchange Limited	₹45.30
The National Stock Exchange of India Limited	₹45.45

**Market Capitalisation:**

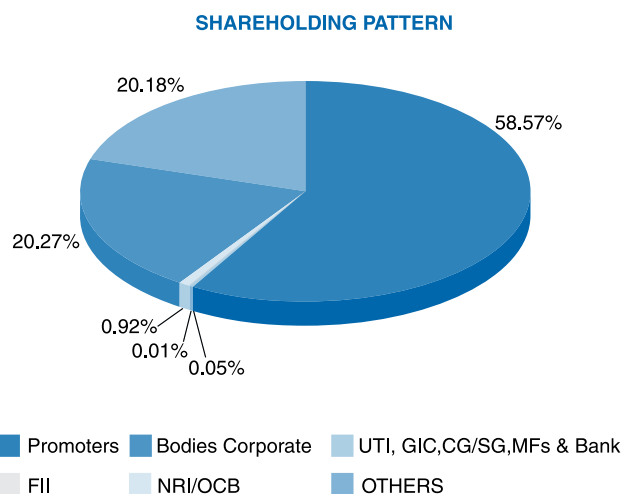
Based on the closing quotation of ₹45.45 as at 31<sup>st</sup> March, 2013 at BSE, market capitalisation of the Company was ₹9839.93 lacs.

**Shareholding Pattern as on 31<sup>st</sup> March, 2013**

Category	No. of shares held	Voting Strength (%)
Promoters	12680200	58.57
UTI, GIC, CG/SG, MFs & Bank	10400	0.05
FII	2129	0.01
NRI/OCB	198802	0.92
Bodies Corporate	4388407	20.27
Others	4370062	20.18
<b>Total</b>	<b>21650000</b>	<b>100.00</b>

**Outstanding GDR/ADR/warrants or any convertible instruments**

No outstanding GDR /ADR /Warrants /Convertible Instruments as on 31<sup>st</sup> March, 2013



**UNPAID/UNCLAIMED DIVIDEND OF THE COMPANY FOR PREVIOUS YEARS;**

As per Section 205A/205C of the Companies Act 1956, the Company is required to transfer balance amount of dividends remaining unpaid/unclaimed for a period of 7 years from the due date, to the Investor Education & Protection Fund (IEPF) set up by the Central Government. Given below is tentative due dates for transfer of unpaid/unclaimed dividends to IEPF by the Company. It is important to note that no claim shall lie against the Company or IEPF, once amount is transferred to IEPF.

Financial Year	Rate Of Dividend	Proposed date for transfer to IEPF
2005-06	35%	27 <sup>th</sup> September, 2013
2006-07	20%	21 <sup>st</sup> September, 2014
2007-08	25%	30 <sup>th</sup> September, 2015
2008-09	20%	23 <sup>rd</sup> September, 2016
2009-10	30%	15 <sup>th</sup> September, 2017
2010-11	40%	17 <sup>th</sup> September, 2018
2011-12	30%	20 <sup>th</sup> September, 2019

**PLANT LOCATION:**

The Company has three plants. Plant I located at Maruti Joint Venture Complex, Gurgaon, Haryana, Plant II located at Mohammadpur Jharsa, Gurgaon, Haryana and Plant III is located at IMT Manesar, Gurgaon, Haryana.

**ADDRESSES:**

Investors/ shareholders correspondence may be addressed either to the Company at its registered office or to its share transfer agent at the following respective address(s):

**Mr. S. Kartik**  
**(Company Secretary)**  
**Jay Bharat Maruti Limited,**  
**601 Hemkunt Chambers, 89 Nehru Place**  
**New Delhi - 110 019**  
**Tel.: 011-26427104-06**  
**Fax: 011-26427100**  
**E-mail: [skartik@jbm.co.in](mailto:skartik@jbm.co.in)**  
[jbmlinvestor@jbm.co.in](mailto:jbmlinvestor@jbm.co.in)

**MCS Limited**  
**(Unit: Jay Bharat Maruti Limited),**  
**F – 65, Okhla Industrial Areas**  
**Phase - I,**  
**New Delhi-110020**  
**Tel.: 011-41609386/41406149/41709885**  
**Fax: 011-41709881**  
**E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)**

**WEB SITE:**

The following updates and information can be assessed through the company's website i.e. [www.jbm-group.com](http://www.jbm-group.com)

- Quarterly/Half Yearly/ Annual Financial Results
- Shareholding Pattern
- Corporate growth. Future plans etc.
- Corporate disclosures made to Stock exchanges

Pursuant to SEBI Circular, the Company has created an email id exclusively for redressal of investor's grievances. The investors can post their grievance to the specific email ID i.e. [jbmlinvestor@jbm.co.in](mailto:jbmlinvestor@jbm.co.in).

**NOTE:**

The details are given purely by way of information. Members may make their own Judgement and are further advised to seek independent guidance before deciding on any matter based on the information given therein. Neither the Company nor its officials would be held responsible.

## CEO and CFO Certification

The Board of Directors  
Jay Bharat Maruti Limited  
601, Hemkunt Chambers  
89, Nehru Place  
New Delhi 110019

15<sup>th</sup> April 2013

Sub: Annual Certificate of Compliance for FY 2012-13

Sir,

We, S. K. Arya, Chairman & Managing Director and Anand Swaroop, President and Group CFO of the Company hereby states that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
- d) We have indicated to the auditors and the Audit committee:
- (i) significant changes in such internal control during the year, if any ;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

Thanking you.

**Sd/-**  
**(S. K. Arya)**  
(Chairman and Managing Director)

**Sd/-**  
**(Anand Swaroop)**  
(President and CFO)

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## CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR FY 2012-13

To the best of my knowledge and belief and information available with me, I hereby declare that all Board Members and Senior Management Personnel of M/s Jay Bharat Maruti Limited have complied with Code of Conduct during the financial year 2012-13 (as applicable on them).

Date: 15<sup>th</sup> April, 2013  
Place: Gurgaon

**Sd/-**  
**(S. K. Arya)**  
Chairman & Managing Director

## CERTIFICATE

### TO THE MEMBERS OF JAY BHARAT MARUTI LIMITED

We have examined the compliance of conditions of Corporate Governance by Jay Bharat Maruti Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of said Company with the stock exchanges.

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

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

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

**(Geetika Mehra)**

Partner

M No: 510525

FRN No. 000517N

Date: 6<sup>th</sup> May, 2013

Place: New Delhi

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Jay Bharat Maruti Limited Report on the Financial Statements

We have audited the accompanying financial statements of Jay Bharat Maruti Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e. on the basis of written representations received from the directors as on 31<sup>th</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>th</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place of Signature: Gurgaon  
Date: 15<sup>th</sup> April, 2013

## ANNEXURE

- (i) a) Proper records for fixed assets showing full particulars including quantitative details and situation has been maintained.  
b) Physical verification of fixed assets has been carried out by the management during the year which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.  
c) No substantial parts of fixed assets have been disposed off during the year.
- (ii) a) The inventory of the Company in its possession has been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties and stocks-in-transit as on March 31, 2013, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.  
b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- (iii) The Company has not granted or taken any loans, secured or unsecured to / from Companies, firms or other parties as covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) There are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control.
- (v) a) The particulars of contracts or arrangements that need to be entered into the Register maintained under section 301 have been so entered.  
b) The transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard that in respect of certain items alternative sources are limited and others are made with reference to price list, quality, delivery schedules and prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.
- (vi) The Company has not accepted any deposits during the year covered by Section 58A and section 58AA or any other relevant provisions of the Companies Act, 1956, and rules framed their under.
- (vii) The internal audit of the company is done by other chartered accountants firm, which is commensurate with its size and nature of its business.
- (viii) On the basis of records produced before us, we are of the opinion that prima facie, the cost records and accounts prescribed by the central government under clause (d) of sub section (1) of section 209 of the Companies Act, 1956, have been maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.

- (ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, Sales-Tax, Custom Duty, Excise-Duty, Cess, Service-Tax and other statutory dues applicable to it and no amount were in arrears as at 31st March 2013, for a period of more than six months from the date they become payable.
- b) Dues of Sale Tax, Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute are as under:

Name of the Statute		Nature of the Dues	Amount (₹ in lacs)	Forum where dispute is pending
a)	Central Excise	1) Demand for non inclusion of amortisation cost, including penalty (FY 2005-06 to 2007-08)	3146.68	CESTAT(Stay Granted by Tribunal )
		2) Interest on supplementary (Upto March-09) (Net of ₹93.81 lacs paid under protest)	115.48	Punjab & Haryana High Court Chandigarh
b)	Service Tax	Service Tax Credit disallowed (from FY 2006-07 to 2011-12 (Net of ₹2.00 lacs paid under protest))	12.04 26.92	CESTAT Commissioner (Appeal)
C)	Income Tax	Disallowance of expenditure on account of material handling equipments, disallowance u/s 14A & treating rental income as business income for A Y 2010-11	26.61	CIT(A)

- (x) The company has no brought forward losses and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion the Company has not defaulted in repayment of dues to Financial Institutions or Banks.
- (xii) In our opinion the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provision of any special statute applicable to chit fund /nidhi /mutual benefit fund/societies is not applicable to the company.
- (xiv) The company is not dealing or trading in shares, securities debentures and other securities.
- (xv) The Company has not given any guarantee for loans taken by others from banks or Financial Institutions.
- (xvi) The term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the Cash Flow Statement and other records examined by us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures during the financial year covered by our audit report.
- (xx) The company has not raised money by public issue during the financial year covered by our audit report.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **MEHRA GOEL & Co.**  
Chartered Accountants  
Registration Number: 000517N

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

Place of Signature: Gurgaon

Date: 15<sup>th</sup> April, 2013

# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

₹ In lacs

	Note No	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>	2		
(a) Share Capital		1,082.50	1,082.50
(b) Reserves and Surplus		14,811.90	13,038.71
		15,894.40	14,121.21
<b>Non-current liabilities</b>	3		
(a) Long-term borrowings		12,514.47	12,535.18
(b) Deferred Tax liabilities (Net)		2,798.05	2,583.52
(c) Other Long term liabilities		159.85	158.37
		15,472.37	15,277.07
<b>Current Liabilities</b>	4		
(a) Short term borrowings		4,070.56	2,925.08
(b) Trade payables		13,996.19	17,661.00
(c) Other current liabilities		7,333.81	5,161.42
(d) Short term provisions		881.27	772.63
		26,281.83	26,520.13
<b>TOTAL</b>		57,648.60	55,918.41
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	5		
(i) Tangible assets		35,230.98	31,829.55
(ii) Intangible assets		49.84	72.86
(iii) Capital work-in-progress		2,182.11	2,450.94
(b) Non-current investments	6	238.55	238.55
(c) Long-term loans and advances	7	580.46	162.91
(d) Other non-current assets	8	2,074.13	1,443.00
		40,356.07	36,197.81
<b>Current Assets</b>	9		
(a) Inventories		8,431.69	7,547.97
(b) Trade receivables		5,821.00	7,573.69
(c) Cash and Bank balances		249.09	187.29
(d) Other current assets		2,790.75	4,411.65
		17,292.53	19,720.60
<b>TOTAL</b>		57,648.60	55,918.41
Significant Accounting Policies Notes 1 to 32 forms integral part of financial statements	1		

As per our report attached.

For **MEHRA GOEL & Co.**

Chartered Accountants

Registration No. - 000517N

**R.K.MEHRA**

Partner

M.No-6102

**S.K.ARYA**

Chairman &amp; Managing Director

**ANAND SWAROOP**

President &amp; CFO

**SUNIL DUTT AGRAWAL**

AVP-Finance

**U.C. Agarwal****D.P. Agarwal****R. Dayal****Achintya Karati****Nishant Arya**

Directors

**S. KARTIK**Company Secretary  
& Compliance Officer

Place: Gurgaon (Haryana)

Date : 15-04-2013



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

₹ In lacs

	Note No	Figures for the Current reporting Period	Figures for the Previous reporting Period
<b>I REVENUE FROM OPERATIONS</b>			
Gross Revenue from operations	10	133,855.59	121,384.12
Less:- Excise Duty		15,832.93	14,552.68
Net revenue from operations		118,022.66	106,831.44
<b>II OTHER INCOME</b>	11	342.22	223.03
<b>III TOTAL REVENUE (I + II)</b>		118,364.88	107,054.47
<b>IV EXPENSES</b>			
Cost of Material Consumed		95,078.48	85,911.77
Changes in inventories of finished goods & work in progress	12	(878.10)	(135.16)
Employee benefits expense	13	6,256.60	5,690.31
Finance Costs	14	1,950.00	2,150.56
Depreciation and amortisation expenses		4,554.35	3,801.78
Other expenses	15	8,203.28	6,742.83
Total Expense		115,164.61	104,162.09
<b>V PROFIT BEFORE TAX (III -IV)</b>		3,200.27	2,892.38
<b>VI TAX EXPENSE:</b>			
(1) Current tax		640.30	563.06
Less/Add:- MAT Credit entitlement/utilised		162.80	(563.06)
		803.10	-
(2) Deferred tax		214.52	923.88
(3) Earlier Years		29.52	5.59
<b>VII PROFIT FOR THE PERIOD (V-VI)</b>		2,153.13	1,962.91
<b>VIII EARNINGS PER EQUITY SHARE:</b>	16		
(1) Basic		9.95	9.07
(2) Diluted		9.95	9.07
Significant Accounting Policies	1		
Notes 1 to 32 forms integral part of financial statements			

As per our report attached.

For **MEHRA GOEL & Co.**  
Chartered Accountants  
Registration No. - 000517N

**R.K.MEHRA**  
Partner  
M.No-6102

Place: Gurgaon (Haryana)  
Date : 15-04-2013

**S.K.ARYA**  
Chairman & Managing Director

**ANAND SWAROOP**  
President & CFO

**SUNIL DUTT AGRAWAL**  
AVP-Finance

**U.C. Agarwal**  
**D.P. Agarwal**  
**R. Dayal**  
**Achintya Karati**  
**Nishant Arya**  
Directors

**S. KARTIK**  
Company Secretary  
& Compliance Officer

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

₹ In lacs

	Figures for the Current reporting Period		Figures for the Previous reporting Period	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before taxation and extraordinary items		3,200.27		2892.38
Adjustment for				
Depreciation /Amortised exp.	4,554.35		3,801.78	
Provision for wealth Tax	1.75		2.29	
Interest/Dividend	1,501.88		1,254.76	
Exchange fluctuation	(213.35)		59.94	
Profit on sale of Fixed Assets (Net)	(170.24)		(49.64)	
Bad debts Written off/ Provision for doubtful debts	-	5,674.39	5.61	5,074.74
<b>Operating Profit before Working Capital changes</b>		<b>8,874.66</b>		<b>7,967.12</b>
Adjustment for				
Trade and other receivables	3,334.09		(3,215.72)	
Inventories	(883.72)		(2,282.28)	
Trade payables	(4,026.70)	(1,576.33)	5,746.96	248.96
<b>Cash generated from Operations</b>		<b>7,298.33</b>		<b>8,216.08</b>
Direct taxes paid	(702.86)	(702.86)	(979.43)	(979.43)
<b>Cash Flow before Extraordinary Activities</b>		<b>6,595.47</b>		<b>7,236.65</b>
Extraordinary items		-		-
<b>Net Cash from Operating Activities</b>		<b>6,595.47</b>		<b>7,236.65</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed Assets	(8,157.73)		(11,811.96)	
Sale of Fixed Assets	274.89		224.88	
Proceeds from deposits	20.66		(15.59)	
Interest received	28.32		60.88	
Dividend received	10.92		5.34	
<b>Net Cash used in Investing Activity</b>		<b>(7,822.94)</b>		<b>(11,536.45)</b>
		<b>(1,227.47)</b>		<b>(4,299.80)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	3,854.91		9,432.18	
Repayments of Long Term Borrowings	(2,585.62)		(2,246.90)	
Proceeds from Short Term Borrowings	2,863.54		1,503.84	
Repayments of Short Term Borrowings	(787.09)		(2,469.22)	
Interest Paid	(1,713.43)		(1,311.69)	
Dividend Paid	(322.38)		(499.30)	
<b>Net Cash Flow from Financing Activities</b>		<b>1,309.93</b>		<b>4,408.92</b>
<b>Net increase in Cash equivalents</b>		<b>82.46</b>		<b>109.13</b>
Cash and Cash equivalents (opening balance)		166.10		56.97
Cash and Cash equivalents (closing balance)		248.56		166.10

**NOTES:**

- The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard -3 on "Cash flow statement".
- Cash and Cash equivalents consist of Cash in hand, balance with banks and ₹27.56 lacs ( P.Y ₹25.19 lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Trade and other receivables include loans and advances.
- The previous year figures have been regrouped / rearranged wherever considered necessary.
- Figures in bracket represents cash outflow.

As per our report attached.

For **MEHRA GOEL & Co.**

Chartered Accountants

Registration No. - 000517N

**R.K.MEHRA**

Partner

M.No-6102

Place: Gurgaon (Haryana)

Date : 15-04-2013

**S.K.ARYA**

Chairman &amp; Managing Director

**ANAND SWAROOP**

President &amp; CFO

**SUNIL DUTT AGRAWAL**

AVP-Finance

**U.C. Agarwal****D.P. Agarwal****R. Dayal****Achintya Karati****Nishant Arya**

Directors

**S. KARTIK**

Company Secretary

&amp; Compliance Officer

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

### NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES

#### 1) Presentation of Financial Statements :-

The financial statements have been prepared in compliance to the requirements of the Companies Act 1956, applicable Accounting Standards and the requirements of Part-I & II of Schedule-VI (revised).

#### 2) Basis of preparation:-

The Financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company except for defined benefit pension/other funds obligations that have been measured at fair value. The carrying value of certain monetary items denominated in foreign currency is translated at the exchange rates applicable on the date of balance sheet.

#### 3) Use of Estimates:-

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

#### 4) Revenue/Expenditure recognition:-

Sales represents the net invoice value of goods and services provided to third parties after deducting discounts, outgoing sales tax and other duties, and are recognised when all significant risks and rewards/ownership are transferred to the customer. Sale of material by products are included in other operating revenue.

Dividend income is recognised when the Company's right to receive payment is established. Interest income is recognised on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and liabilities.

#### 5) Extra-ordinary Items:-

Extraordinary items are those income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly.

#### 6) Exceptional Items:-

Exceptional items are those items of income and expense arising from ordinary activities, are of such size, nature or incidence that requires separate disclosure to explain the performance of the enterprise.

#### 7) Fixed Assets:-

The initial cost of Fixed Assets comprise its purchase price, including import duties, net of modvat/cenvet, less accumulated depreciation and include directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to depreciable fixed assets are capitalised.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalised. The replacement of such spares is charged to revenue.

#### 8) Assets in the course of construction:-

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

### 9) Intangible assets:-

In accordance with the Accounting Standard (AS) 26 relating to intangible assets, all costs incurred on technical know how/ license fee relating to production process are charged to revenue in the year of incurrence. Technical know how/license fee relating to process design/plants/facilities are capitalised at the time of capitalisation of the said plant/ facility and amortised over a period of three years.

### 10) Impairment of Assets:-

Carrying amount of cash generating units/Fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The excess of recoverable amount over the carrying value of the asset is charged, as an impairment loss to the statement of profit & Loss.

### 11) Depreciation:-

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 except in the following cases in which depreciation has been provided as per management's estimates.

#### Dies, Fixtures & Special Purpose Machine \*:-

Over the amortisation life, taken by the customer subject to minimum, as prescribed in schedule XIV to the Companies Act 1956 and on other addition on or after 01.04.07, :- 3-5 Years.

Vehicles	}	5 Years
Furniture, Fixtures & Office Equipments		
Trolleys & Bins *		
Electronic Data processing System & Equipments System:	}	3 Years
Technical Know-how Fees		

Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing ₹5000/- or less are depreciated in full in the year of purchase. Plant & Machinery the written down value of which at the beginning of the year is ₹5000/- or less and other assets the written down value of which at beginning of the year is ₹1000/- or less are depreciated at the rate of 100%. Depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets. Leasehold Land is amortised over the period of Lease.

\*Included in plant & machinery.

### 12) Inventories:-

Inventories are valued at the lower of cost or net realisable value, less any provisions for obsolescence. Cost is determined on the following basis;

Raw Material is recorded at cost on a first-in, first-out (FIFO) basis;

Finished goods and work-in-process are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

By products and scrap are valued at net realisable value.

### 13) Investment:-

Investments are classified into Current and Non Current investments. Current investments are stated at lower of cost or market value. Non Current investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

### 14) Foreign Exchange Transactions:-

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies outstanding at the year end are translated at the exchange rate applicable as of that date. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in cases of long term monetary items where these relate to the acquisition of depreciable fixed assets in which case these are adjusted to the carrying cost of such assets.

Exchange difference on forward exchange contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rate changes except in the cases these relate to the depreciable fixed assets in which case these are adjusted to the carrying cost of such assets. Profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the year.

### 15) Borrowing Cost:-

Interest on borrowing is expensed in the statement of profit & loss except where it relates to qualifying asset in which case it is capitalised. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Exchange difference arising from short term foreign currency borrowings to the extent that they are regarded as adjustment to interest cost is treated as finance cost and charged to statement of profit and loss except where it relates to qualifying asset in which case it is capitalised. All other borrowing costs are charged to revenue.

### 16) Employees Benefits:-

i. Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which related service is rendered.

The Company has defined contribution plans for post retirements benefits, namely, Employees Provident Fund Scheme administered through provident fund commissioner and Superannuation Fund administered through Life Insurance Corporation of India and the company's contribution are charged to revenue every year.

Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.

ii. The company has defined benefit plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an Actuarial valuation at the end of the year. Gratuity Trust is administered through Life Insurance Corporation of India.

iii. Termination benefits are recognised as an expense immediately.

iv. Gain or Loss arising out of actuarial evaluation are recognised immediately in the profit and loss account as income or expense.

### 17) Claims:-

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

### 18) Excise Duty:-

Excise duty is accounted for on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

### 19) Tax Expense:-

Current tax is provided after taking credit for allowance and exemptions using the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. In case of matters under appeal due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

Deferred tax is provided on all temporary differences at the Balance Sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax asset arising from temporary differences are recognised to the extent there is virtual certainty of realisation of asset in future.

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

## 20) Leases:-

Assets acquired under finance lease from 01.04.2001 are capitalised at the lower of their fair value or the present value of the minimum lease payments.

## 21) Provision and Contingent Liability:-

Show cause notices issued by various government authorities are not considered as obligation, when the demand notices are raised against such show cause notice and are disputed by the company then these are classified as possible obligation. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources that can be reliably estimated, will be required to settle such an obligation. Contingent liabilities are not recognised but are disclosed in notes.

## 22) Derivative Financial Instruments:-

In respect of the Financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to statement of profit & loss. The contracts entered into other than forward contracts are marked to market at year end and the resultant profit / loss is charged to statement of profit & loss except in the cases these relate to the depreciable fixed assets in which case these are adjusted to the carrying cost of such assets.

## 23) Contingencies & Commitments:-

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31-03-2013	31-03-2012
<b>NOTE 2 :- SHAREHOLDERS' FUND</b>		
<b>(a) Share Capital</b>		
<b>Authorised</b>		
2,40,00,000 (P.Y. 2,40,00,000) Equity Shares of ₹5/- each	1,200.00	1,200.00
30,00,000 (P.Y. 30,00,000) Preference Shares of ₹10/-each	300.00	300.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Paid Up</b>		
2,16,50,000 (P.Y. 2,16,50,000) Equity Shares of ₹5/- each	1,082.50	1,082.50
	<b>1,082.50</b>	<b>1,082.50</b>

### Reconciliation of the number of Equity Shares outstanding

Particulars	31-03-2013		31-03-2012	
	No. of Shares	Amount (₹ in lacs)	No. of Shares	Amount (₹ in lacs)
Balance at the beginning and at the end of the year	21,650,000	1,082.50	21,650,000	1,082.50

### Rights, preferences and restrictions attached to shares

The company has one class of equity shares with a par value of ₹5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of director is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

### Detail of shareholding,

Refer note 30

₹ In lacs

	31-03-2013	31-03-2012
<b>(b) Reserves and Surplus</b>		
<b>General Reserve</b>		
Balance at the beginning of the year	1,793.75	1,613.75
Add:- Transferred from surplus in statement of profit & Loss	225.00	180.00
Balance at the end of the year	<b>2,018.75</b>	1,793.75
<b>Surplus</b>		
Balance at the beginning of the year	11,244.96	9,839.48
Add:- Net Profit for the current Year	2,153.13	1,962.91
Less:- Appropriations:		
Proposed Dividend*	324.75	324.75
Dividend Tax	55.19	52.68
Transferred to General Reserve	225.00	180.00
Balance at the end of the year	<b>12,793.15</b>	11,244.96
<b>Total Reserves and Surplus</b>	<b>14,811.90</b>	13,038.71

\* (₹1.50 Per Share (P.Y. ₹1.50 Per Share))

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31-03-2013	31-03-2012
<b>NOTE 3:- NON CURRENT LIABILITIES</b>		
<b>(a) Long-Term Borrowings (Secured)</b>		
<b>Term Loans From Banks</b>		
-In Foreign Currency *	17,230.72	14,943.05
-In Rupee		
- Vehicle Loans **	87.61	80.78
- Others ***	-	365.33
Finance Lease Obligation (Refer Note 29)	12.00	15.00
Vehicle Loans From related party**	90.64	106.70
	17,420.97	15,510.86
Less:-		
Current Maturities of Long Term Loans	(4,902.46)	(2,972.68)
Current Maturities of Finance Lease Obligation	(4.04)	(3.00)
<b>Total</b>	<b>12,514.47</b>	<b>12,535.18</b>

\* Secured by first and exclusive charge on the movable fixed assets purchased/to be purchased including, without limitation, its movable plant and machinery, furniture, fixture, equipment, computer hardware, computer software, machinery spares, and tools and accessories and others movables so as to provide an asset cover of 1.5 times the loan amount at market valuation.

\*\* Secured by Hypothecation of vehicle Financed

\*\*\* Secured by first and exclusive charge on the movable fixed assets purchased/to be purchased including, without limitation, its movable plant and machinery, furniture and fixture, equipment, computer hardware, computer software, machinery spares, tools and accessories and others movables.

## Terms of Repayment of Term Loans

### I In Foreign Currency

S. No.	Amount (₹ In lacs)	Interest Rate Terms	No. of Equal Quarterly Installments	Balance No. of Quarterly Installment as on 31.03.2013
1	3733.80	3 Months USD LIBOR Linked rate	16	11
2	4853.96	3 Months USD LIBOR Linked rate	16	13
3	2545.78	3 Months USD LIBOR Linked rate	16	15
4	2715.50	3 Months USD LIBOR Linked rate	16	16
5	3381.68	6 Months JPY LIBOR Linked rate	Bullet	Bullet
	<b>17230.72</b>	Total		

### II Vehicle Loans from banks and other related parties are payable in 36 & 84 monthly equal installments respectively from the date of disbursements.

#### (b) Deferred Tax Liabilities (Net)

Major components of deferred tax arising on account of timing differences as at 31<sup>st</sup> March 2013 are:- ₹ In lacs

(i) Deferred Tax Liability		
- Depreciation on Fixed Assets	2,345.22	1809.02
- Claim under Sec 43 (B) of Income Tax Act, 1961	523.31	1026.61
(ii) Deferred Tax Assets		
-Disallowance under Income Tax Act,1961	70.48	36.09
-Losses Carried Forward	-	216.02
(iii) Net Deferred Tax liability (i-ii)	<b>2,798.05</b>	<b>2,583.52</b>

#### (c) Other Long Term Liabilities

₹ In lacs

Security Deposit	51.81	68.72
Advances From Customers	108.04	89.65
	<b>159.85</b>	<b>158.37</b>



## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31-03-2013	31-03-2012
<b>NOTE 4:- CURRENT LIABILITIES</b>		
<b>(a) Short Term Borrowings</b>		
<b>Secured*</b>		
Loans From Banks:-		
-Cash Credit/Working Capital Demand Loans	3,820.87	1,459.79
-Foreign Currency Buyers Credits	-	1,172.33
<b>Unsecured</b>		
-Foreign Currency Buyers Credits	249.69	292.96
	<b>4,070.56</b>	<b>2,925.08</b>

\* Secured by first charge on book debts, stock and other current assets of the company ranking parri passu inter se between the company's bankers and are further secured by second charge on movable fixed assets of the company.

₹ In lacs

<b>(b) Trade Payables</b>		
Due to Micro & Small Enterprises	107.22	175.71
Others	13,888.97	17,485.29
	<b>13,996.19</b>	<b>17,661.00</b>

In some cases, the company has received intimation from micro & small enterprises under "The Micro, Small and Medium Enterprises Development Act 2006". The company has certified that as a policy the payment to suppliers is made within 30 days. No payments beyond the appointed date were noticed. No interest was paid or payable under the act.

₹ In lacs

<b>(c) Other Current Liabilities</b>		
Current Maturities of Long Term Loans	4,902.46	2,972.68
Current Maturities of Finance Lease Obligation	4.04	3.00
Interest Accrued but not due on borrowings	164.95	204.49
Interest Accrued and due on borrowings	12.56	-
Advances from Customers	0.74	147.85
Unpaid Dividends	27.56	25.19
	<b>5,112.31</b>	<b>3,353.21</b>
<b>Other Payables</b>		
Payable for Capital Goods	1,320.64	584.40
Employees' related Liabilities	98.84	91.81
Others	802.02	1,132.00
	<b>7,333.81</b>	<b>5,161.42</b>
<b>(d) Short Term Provisions</b>		
(a) Employee Benefits	499.58	392.91
(b) Other Provisions:-		
Dividends	324.75	324.75
Dividend Distribution Tax	55.19	52.68
Wealth Tax	1.75	2.29
	<b>881.27</b>	<b>772.63</b>

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

## NOTE NO. 5:- FIXED ASSETS

₹ In lacs

Description	Gross Block				Depreciation			Net Block		
	As at 1 <sup>st</sup> April, 2012	Additions during the year	Other Adjustments*	Deductions during the year	Total as at 31.03.2013	As at 01.04.2012	For the year**	Adjustment on sales**	Total as at 31.03.2013	As at 31.03.2012
Tangible Assets										
Land (Freehold)	211.10	123.69	0.00	0.00	334.79	0.00	0.00	0.00	334.79	211.10
Land (Leasehold)	44.31	0.00	0.00	0.00	44.31	6.49	2.95	0.00	34.87	37.82
Building	4524.06	588.22	0.00	0.00	5112.28	900.78	162.07	0.00	4049.43	3623.28
Plant & Equipment	54502.13	7452.18	-268.26	643.23	61042.82	26955.99	4204.06	565.85	30594.20	27546.14
Furniture, Fixtures	296.20	5.28	0.00	1.78	299.70	250.59	22.51	1.03	272.07	45.61
Office Equipments	219.05	9.24	0.00	0.70	227.59	146.57	15.33	0.24	161.66	72.48
Computer & computer										
Systems	444.02	13.14	0.00	5.00	452.16	393.65	29.18	3.97	418.86	50.37
Vehicles	634.97	110.98	0.00	277.02	468.93	408.67	89.52	251.99	246.20	226.30
Vehicle on Finance Lease	16.60	0.46	0.00	0.00	17.06	0.15	3.22	0.00	3.37	16.45
Sub Total	60892.44	8303.19	-268.26	927.73	67999.64	29062.89	4528.84	823.08	32768.65	31829.55
Intangible Assets										
Technical Knowhow.	316.38	0.00	0.00	0.00	316.38	282.46	0.01	0.00	282.47	33.92
Computer Software	232.98	13.83	0.00	0.00	246.81	194.04	36.85	0.00	230.89	38.94
Sub Total	549.36	13.83	0.00	0.00	563.19	476.50	36.86	0.00	513.36	72.86
Total	61441.80	8317.02	-268.26	927.73	68562.83	29539.39	4565.70	823.08	33282.01	31902.41
Previous Year	50243.14	11302.69	204.75	308.78	61441.80	25820.79	3852.16	133.54	29539.39	24422.35
Capital Work In Progress***									2182.11	2450.94

\* Includes ₹394.95 lacs (Gain) (P.Y. ₹147.70 lacs (Loss) ) on account of Exchange Fluctuation, ₹16.28 lacs (P.Y. ₹13.24 lacs) on account of Exchange Fluctuation treated as borrowing Cost and ₹110.41 lacs (P.Y. ₹43.81 lacs ) on account of Interest Cost.

\*\* Includes ₹11.35 lacs (P.Y. ₹50.39 lacs ) on account of Depreciation capitalised during the year

\*\*\* CWIP Includes ₹12.15 lacs (P.Y. ₹7.05 lacs ) on account of Exchange Fluctuation, ₹NIL (P.Y. ₹16.28 lacs ) on account of Exchange Fluctuation treated as borrowing Cost and ₹34.91 lacs (P.Y. ₹81.21 lacs ) on account of Interest Cost.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>NOTE 6 :- NON CURRENT INVESTMENTS</b>		
<b>Trade- Unquoted (Fully paid up) at Cost</b>		
20,85,000 (P.Y. 20,85,000) Equity Shares of ₹10/- each in Nagata India Ltd.	208.50	208.50
60,000 (P.Y. 60,000) Equity Shares of ₹10/- each in Inapex Auto Products Exports Limited	6.00	6.00
	<b>214.50</b>	<b>214.50</b>
<b>Others - Quoted (Fully paid up)</b>		
<b>- Associates</b>		
11,150 (P.Y. 11,150) Equity Shares of ₹5/- each in Maruti Suzuki India Ltd.	13.94	13.94
<b>- Others</b>		
19,300 (P.Y. 19,300) Equity Shares of ₹10/- each in Haryana Financial Corporation	6.76	6.76
Less:- Provision for diminution *	6.76	6.76
	-	-
28,900 (P.Y. 28,900) Equity Shares of ₹10/- each in Canara Bank	10.12	10.11
	<b>24.05</b>	<b>24.05</b>
<b>Total Investment</b>	<b>238.55</b>	<b>238.55</b>
Aggregate Market Value of Quoted Investments (Including cost, net of provision for diminution, where market value is not available)	253.79	287.31
*In the absence of quotations at stock exchange, valued at book value after taking into account auditors qualification		
<b>NOTE 7 :- LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured considered good)</b>		
Capital Advances	500.90	86.17
Security Deposits	79.56	76.74
	<b>580.46</b>	<b>162.91</b>
<b>NOTE 8 :- OTHER NON CURRENT ASSETS</b>		
Hedging Gain Recoverable	1,285.40	879.95
MAT Carried Forward	400.24	563.05
Others	388.49	-
	<b>2,074.13</b>	<b>1,443.00</b>

# NOTES

ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>NOTE 9:- CURRENT ASSETS</b>		
<b>(a) Inventories</b>		
Raw Material	4,099.36	4,046.61
Raw Material in Transit	47.91	497.84
Work In Progress	2,113.08	1,434.68
Finished Goods	717.59	488.28
Stores & Spares	1,426.85	1,052.41
Scrap	26.90	28.15
	<b>8,431.69</b>	<b>7,547.97</b>
<b>(b) Trade Receivables</b>		
(Unsecured, Considered Good)		
Over Due for more than Six Months	-	31.18
Others	5,821.00	7,542.51
	<b>5,821.00</b>	<b>7,573.69</b>
<b>(c) Cash and Bank Balances</b>		
<b>(a) Cash and Cash Equivalent</b>		
Balances with Banks		
- In Current Account	220.05	139.11
- In Unpaid Dividend Account	27.56	25.19
Cash in hand	0.95	1.80
<b>(b) Other Bank deposits (including interest accrued)</b>		
Fixed Deposits having maturity period:		
- for more than 12 Months*	0.53	21.19
	<b>249.09</b>	<b>187.29</b>
*Under Bank Lien ₹0.52 lacs (P.Y. ₹20.55 lacs)		
<b>(d) Other Current Assets</b>		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	1,044.93	1,098.72
Advance Tax (Net)	126.84	148.77
Balance of Cenvat/service tax	1,618.98	3,164.16
	<b>2,790.75</b>	<b>4,411.65</b>

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
<b>NOTE 10:-REVENUE FROM OPERATIONS</b>				
Sale of products		125,781.45		114,597.44
Sale of services		630.25		429.16
Other operating revenue	7,445.14		6,364.27	
Increase/(decrease) in scrap stock	(1.25)	7,443.89	(6.75)	6,357.52
<b>GROSS REVENUE FROM OPERATIONS</b>		<b>133,855.59</b>		<b>121,384.12</b>
<b>NOTE 11:- OTHER INCOME</b>				
<b>Other Income</b>				
(a) Interest Income (TDS ₹1.59 lacs, P.Y. ₹8.13 lacs)		28.32		60.88
(b) Dividend on Long Term Investment		10.92		5.34
(c) Profit on Sale of Assets		170.84		49.78
(d) Rent Received (TDS ₹3.25 lacs, P.Y. ₹3.02 lacs)		28.92		28.92
(e) Exchange Gain (Net)		57.38		23.28
(f) Other Non Operating Income		45.84		54.83
		<b>342.22</b>		<b>223.03</b>
<b>NOTE 12:- CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK IN PROGRESS</b>				
<b>Work in Process</b>				
Opening Stock	1,434.69		1,287.88	
Less:- Closing Stock	2,113.08	(678.41)	1,434.68	(146.80)
<b>Finished Goods</b>				
Opening Stock	488.28		499.02	
Less:- Closing Stock	717.59	(229.31)	488.28	10.74
Total		<b>(907.72)</b>		<b>(136.06)</b>
<b>Excise Duty on Increase/(Decrease) of finished stock</b>				
(Increase)/Decrease in stocks		29.62		0.90
		<b>(878.10)</b>		<b>(135.16)</b>
<b>NOTE 13:- EMPLOYEE BENEFITS EXPENSE</b>				
Salaries & wages		5,556.98		4,994.64
Contribution to ESI, PF,& other funds		236.59		216.46
Staff welfare		393.97		423.84
Group/medicclaim insurance		69.06		55.37
		<b>6,256.60</b>		<b>5,690.31</b>

₹ In lacs

	31-03-2013	31-03-2012
<b>NOTE 14:- FINANCE COST</b>		
Interest Expenses	1,536.31	1,320.97
Other Financial Charges	4.81	3.81
Cash Discount	389.87	742.55
Net Gain/Loss on foreign currency transactions and translation	19.01	83.23
	<b>1,950.00</b>	<b>2,150.56</b>

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	31-03-2013	31-03-2012
<b>NOTE 15:- OTHER EXPENSES</b>		
Stores Consumed	1,854.27	1,344.83
Power & Fuel	2,927.38	2,115.86
Royalty	252.22	196.21
Technical Services	7.85	8.48
Repair & Maintenance		
-Machinery	1,619.85	1,404.94
- Building	95.30	71.96
Rent (including land lease rent)	70.00	70.66
Rates & Taxes	40.24	30.25
Insurance	37.27	25.79
Bad Debts written Off	-	5.61
Loss on sale/Discarding of Fixed Assets	0.60	0.15
Other Miscellaneous Expenses	1,298.30	1,468.09
	8,203.28	6,742.83
<b>NOTE 16:- EARNING PER SHARE</b>		
-Profit after Tax (₹ In lacs)	2,153.13	1,962.91
-Weighted Average Number of Equity Shares (Outstanding During the Year) (Fig in lacs)	216.50	216.50
-Nominal Value of share (₹)	5.00	5.00
<b>Basic Earning Per Share (₹)</b>	9.95	9.07
<b>Diluted Earning Per Share (₹)</b>	9.95	9.07

**Note 17:-** The ministry of corporate affairs had issued clarification dated 09th Aug, 2012 on para 46A of notification number GSR 914(E) dated 29th Dec, 2011 on accounting standard 11 relating to effects on changes in foreign exchange rates. On account of change in accounting policy an amount of ₹12.15 lacs has been capitalised for the year ended 31<sup>st</sup> March, 2013. It has resulted in increase in profit after tax for the year ended 31<sup>st</sup> March, 2013 by ₹8.21 lacs and increase in EPS/Diluted EPS by ₹0.04.

**Note 18:-** The company has decided to exercise the option provided in notification GSR No. 914(E) date 29<sup>th</sup> December 2011 issued by Ministry of Corporate Affairs regarding the treatment of exchange differences.

₹ in lacs

	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>NOTE 19:- CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
-Central Excise (net of amount paid under protest)	3262.16	3262.16
-Service tax	38.96	15.71
-Income tax	26.61	NIL
-Bills Discounted	1918.74	NIL
<b>NOTE 20:- THE BREAK-UP OF AUDITOR'S REMUNERATION IS AS UNDER:-</b>		
<b>I) Statutory Audit</b>		
A) Audit Fees	11.50	10.00
B) Tax Audit Fees	3.75	3.25
C) Taxation Matters	1.98	2.52
D) Others	5.50	5.50
<b>II) Cost Audit</b>	1.50	NIL
<b>NOTE 21:-</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances).	3427.09	4188.71
- Other Commitments (Letter of credits issued by Banks)	309.79	3016.81

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

## NOTE 22:- STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Associates	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel and their relatives
Maruti Suzuki India Limited	JBM Industries Limited Neel Metal Products limited JBM Auto Limited	Mr. SK Arya, Chairman and Managing Director Mrs . Neelam Arya spouse of Mr. S.K. Arya, Chairman & MD Mr. Nishant Arya son of Mr. S.K. Arya, Chairman & MD

₹ In lacs

	2012-13				2011-12			
	Associate	Enterprise over which key management personnel and their relative are able to exercise significant influence	Key Management personnel and their relatives	Total	Associate	Enterprise over which key management personnel and their relative are able to exercise significant influence	Key Management personnel and their relatives	Total
<b>Purchase of capital goods</b>								
Neel Metal Products limited		1153.26		1153.26		1236.87		1236.87
JBM Industries Limited		11.36		11.36		0.00		0.00
<b>Total</b>	<b>0.00</b>	<b>1164.62</b>		<b>1164.62</b>	<b>0.00</b>	<b>1236.87</b>		<b>1236.87</b>
<b>Sale of Goods</b>								
Maruti Suzuki India Limited	109670.79			109670.79	97082.38			97082.38
Neel Metal Products limited		10015.99		10015.99		5007.89		5007.89
JBM Auto Limited		572.80		572.80		782.22		782.22
JBM Industries limited		1.32		1.32		4.80		4.80
<b>Total</b>	<b>109670.79</b>	<b>10590.11</b>		<b>120260.90</b>	<b>97082.38</b>	<b>5794.91</b>		<b>102877.29</b>
<b>Sale of Capital goods</b>								
Maruti Suzuki India Limited	0.00			0.00	302.54			302.54
Neel Metal Products limited		98.30		98.30		0.00		0.00
JBM Industries limited		0.00		0.00		2.76		2.76
<b>Total</b>	<b>0.00</b>	<b>98.30</b>		<b>98.30</b>	<b>302.54</b>	<b>2.76</b>		<b>305.30</b>
<b>Other Income</b>								
Maruti Suzuki India Limited	6.74			6.74	0.00			0.00
Neel Metal Products limited		29.31		29.31		56.61		56.61
JBM Auto Limited		0.00		0.00		6.45		6.45
JBM Industries limited		3.43		3.43		6.05		6.05
<b>Total</b>		<b>32.75</b>		<b>39.49</b>		<b>69.12</b>		<b>69.12</b>
<b>Purchase of the goods</b>								
Maruti Suzuki India Limited	15540.58			15540.58	7553.14			7553.14
Neel Metal products limited		50417.67		50417.67		51741.70		51741.70
JBM Auto Limited		839.81		839.81		1319.57		1319.57
JBM Industries limited		5717.47		5717.47		5289.47		5289.47
<b>Total</b>	<b>15540.58</b>	<b>56974.96</b>		<b>72515.54</b>	<b>7553.14</b>	<b>58350.75</b>		<b>65903.89</b>
<b>Others Expenses</b>								
Maruti Suzuki India Limited	2423.11			2423.11	2207.79			2207.79
Neel Metal Products limited		14.16		14.16		237.48		237.48
JBM Auto Limited		0.38		0.38		0.81		0.81
JBM Industries limited		1.79		1.79		8.63		8.63
Mrs. Neelam Arya			16.20	16.20			16.20	16.20
<b>Total</b>	<b>2423.11</b>	<b>16.34</b>	<b>16.20</b>	<b>2455.65</b>	<b>2207.79</b>	<b>246.92</b>	<b>16.20</b>	<b>2470.91</b>
<b>Managerial Remuneration</b>								
Mr. SK Arya			157.35	157.35			147.33	147.33
<b>Total</b>			<b>157.35</b>	<b>157.35</b>			<b>147.33</b>	<b>147.33</b>
<b>Director Sitting fees</b>								
Mr. Nishant Arya			0.90	0.90			1.20	1.20
<b>Total</b>			<b>0.90</b>	<b>0.90</b>			<b>1.20</b>	<b>1.20</b>
<b>Amount Recoverable</b>								
Maruti Suzuki India Limited	9341.14			9341.14	3782.31			3782.31
Neel Metal Products limited		2621.85		2621.85		448.58		448.58
JBM Auto Limited		291.41		291.41		215.49		215.49
<b>Total</b>	<b>9341.14</b>	<b>2913.25</b>		<b>12254.40</b>	<b>3782.31</b>	<b>664.07</b>		<b>4446.38</b>
<b>Amount Payble</b>								
Managerial Remuneration			21.42	21.42			13.75	13.75
Maruti Suzuki India Limited	7444.23			7444.23	2424.58			2424.58
Neel Metal Products limited		6208.89		6208.89		5779.09		5779.09
JBM Auto Limited		11.54		11.54		111.10		111.10
JBM Industries limited		564.93		564.93		713.06		713.06
<b>Total</b>	<b>7444.23</b>	<b>6785.36</b>	<b>21.42</b>	<b>14251.01</b>	<b>2424.58</b>	<b>6603.25</b>	<b>13.75</b>	<b>9041.58</b>

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

**NOTE 23:-** Consumption of Raw Materials and components has been computed by adding purchase to the opening stock and deducting closing stock verified physically by the management.

**NOTE 24:-** The Company is primarily engaged in the business of manufacturing of components for automobiles for Indian market which are governed by the same set of risk and returns. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17). Accordingly, segment information has not been disclosed.

**NOTE 25:-** Maruti Suzuki India Ltd. (MSIL) has sold vehicles to the vendors and / or the employee of the vendor under the Maruti Car scheme "Hum Saath Saath". The EMI of vehicle sold to the vendors/ vendors employees has been accounted/ routed through the company.

### NOTE 26:- RETIREMENT BENEFITS

#### A The Company has calculated the various benefits provided to employees as under-

- Provident Fund (Including Pension Scheme)
- Superannuation Fund

₹ In lacs

	2012-13	2011-12
During the year the Company has recognised the following amounts in the Statement of Profit and Loss:-		
Employers Contribution to Provident Fund	162.01	131.94
Employers Contribution to Superannuation Fund	3.04	3.19
<b>B. State Plans</b>		
Employers contribution to Employee State Insurance.		
During the year the Company has recognised the following amounts in the Statement of Profit and Loss:-		
Employers contribution to Employee State insurance *	16.89	17.66
* Included in Contribution to Provident and other funds under Employee Remuneration and Benefits		
<b>C. Defined Benefit Plans</b>		
a) Contribution to Gratuity Funds - Employee's Gratuity Fund.		
b) Leave Encashment/ Compensated Absence.		

₹ In lacs

	2012-13		2011-12	
	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.				
<b>i) Actuarial Assumptions</b>				
Discount Rate (per annum)	8%	8%	8.6%	8.6%
Rate of increase in compensation levels	6%	6%	6%	6%
Rate of return on plan assets.		9.25%		9.25%
Expected Average remaining working lives of employees (years)	23.48	23.54	23.33	23.33



## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	2012-13		2011-12	
	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
<b>ii) Change in the obligation during the year ended 31<sup>st</sup> March, 2013</b>				
Present value obligation as at March,31 2012	368.38	353.69	307.34	293.41
Impact of Transition provision of AS-15				
Interest cost	31.68	30.42	24.59	23.47
Past Service cost				
Current service cost	56.40	40.47	53.25	35.26
Curtailement cost				
Settlement cost				
Benefits Paid	(84.63)	(19.75)	(83.20)	(13.93)
Actuarial (gain)/ loss on Obligations	55.06	6.88	66.40	15.48
Present value obligation as at March, 31, 2013	426.90	411.71	368.38	353.69
<b>iii) Change in fair value plan Assets</b>				
Fair value of Plan Assets as at March, 31, 2012	-	332.95	-	317.52
Expected return on Plan Assets	-	30.80	-	29.37
Contributions	-	-	-	-
Benefits Paid	-	(19.75)	-	(13.93)
Actuarial gain/ (loss) on Obligations	-	(0.52)	-	-
Fair value of Plan Assets as at March, 31, 2013	-	343.48	-	322.95
<b>iv) Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets</b>				
Present value obligation as at March, 31, 2013	426.90	411.71	368.38	353.69
Fair value of Plan Assets as at March, 31, 2013	-	343.48	-	332.95
Funded Status	-	(68.23)	-	(20.74)
Unrecognised Actuarial (gains)/ losses	-	-	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(426.90)	(68.23)	(368.38)	(20.74)
<b>v) Expenses recognised in Statement of Profit and Loss</b>				
Current service cost	56.40	40.47	53.25	35.26
Past Service cost	-	-	-	-
Interest cost	31.68	30.42	24.59	23.47
Expected return on Plan Assets	-	(30.80)	-	(29.37)
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	55.06	7.40	66.40	15.48
Total Expense recognised in Profit and Loss Account	143.14	47.49	144.24	44.84

\* Included in Salaries, Wages, Allowances and Other Benefits under Employee Remuneration and Benefits

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

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ In lacs

	2012-13	2011-12
<b>NOTE 27:- EXPENSES FOR TOOL &amp; DIES CAPITALISED</b>		
Cost of Material consumed	1.95	130.49
Power and fuel	0.79	12.28
Store consumables	0.75	11.65
Salary & wages	4.79	66.09
Depreciation	3.49	50.38
Other Misc. Expenses	1.34	31.07
<b>Total</b>	<b>13.12</b>	<b>301.96</b>

**NOTE 28:-** Previous year figures have been regrouped, reworked, rearranged and reclassified wherever considered necessary.

**NOTE 29:-** The company acquired vehicle under Finance Lease with respective assets as security. Minimum Lease Payments outstanding as of 31<sup>st</sup> March, 2013 are as follows:-

₹ In lacs

	Particulars	Total Minimum Lease Payments outstanding as on 31 <sup>st</sup> March, 2013	Interest not due	Present Value of Minimum Lease payment as at 31 <sup>st</sup> March, 2013
A	Within 1 Year	6.14 (6.14)	2.10 (3.14)	4.04 (3.00)
B	Later than 1 Year and not later than 5 Years	9.01 (15.1)	1.05 (3.15)	7.96 (12.00)

**NOTE 30:-** Detail of Shareholders holding more than 5% share capital as on the balance sheet date.

Name of Shareholders	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Maruti Suzuki India Ltd.	6340000	29.28	6340000	29.28
M/s ANS Holding Private Ltd.	2029000	9.37	2029000	9.37
Mr. Sanjay Singhal	1900400	8.78	1400400	6.47

**NOTE 31:-** Derivative contracts entered into by the company and outstanding as on 31<sup>st</sup> March, 2013.

For Hedging currency and interest Rate Related Risk:-

Nominal amount of derivatives including forward contracts entered into by the company and outstanding as on 31<sup>st</sup> March, 2013 amount to ₹13849.05 lacs (PY ₹16115.39 lacs)

All derivative contracts entered into by the company are for hedging purposes only.

Foreign currency exposure that are not hedged by derivative instruments as on 31<sup>st</sup> March, 2013 amounts to ₹3892.05 lacs (PY ₹1623.60 lacs).

Gain/Loss provided for ₹779.19 lacs (Net Gain) (PY ₹1189.28 lacs (Net Gain)) in respect of outstanding derivative contracts at the Balance Sheet date by marking them to market.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

**NOTE 32:-** Additional information pursuant to the provisions of general instructions for preparation of statement of profit and loss under revised Schedule VI to the Companies Act, 1956 is as under:-

### a. Opening Stock, Closing Stock and Sales

₹ In lacs

Products	Opening Stock	Closing Stock	Sales	Closing WIP
Sheet Metal Components				
Assemblies & sub assemblies**	195.94	442.08	88,734.97	743.34
(Previous year )	(283.55)	(195.94)	(84,767.13)	(629.66)
Muffler assemblies	27.10	46.29	8,040.24	8.33
(Previous year )	(16.97)	(27.10)	(8,343.82)	-
Rear Axle	222.12	200.58	31,213.99	133.83
(Previous year )	(119.05)	(222.12)	(16,790.80)	(150.16)
Fuel Neck	43.12	28.64	4,603.23	0.01
(Previous year )	(22.50)	(43.12)	(3,527.16)	(1.61)
Dies & Tools			1,263.16	1,227.57
(Previous year )			(1,168.53)	(653.25)
* Include job work receipts ₹630.25 lacs (P. Y. ₹429.16 lacs).				

### b. Consumption of Raw Materials and Components

₹ In lacs

	2012-13	2011-12
1 Components	48483.99	44690.00
2 Metal		
- Sheet	11006.72	5098.37
- Blanks	33490.32	33753.01
3 Pipes	561.18	1034.00
4 Others	1536.27	1339.64

### c. C.I.F. Value of Imports

₹ In lacs

	2012-13	2011-12
1 Raw Materials	2056.22	4201.74
2 Stores & spares	32.11	10.65
3 Capital Goods	3310.26	2797.70

### d. Value of Imported and indigenous Raw Materials, Spares and Components Consumed

	2012-13		2011-12	
	Value	% age	Value	% age
a. Raw Material				
(i) Imported	3295.70	3.47%	3612.96	4.21%
(ii) Indigenous	91782.78	96.53%	82298.81	95.79%
	95078.48	100.00%	85911.77	100.00%
b. Stores & Spares				
(i) Imported	36.22	1.95%	10.65	0.79%
(ii) Indigenous	1818.05	98.05%	1334.18	99.21%
	1854.27	100.00%	1344.83	100.00%

# NOTES

ANNEXED TO AND FORMING PART OF THE ACCOUNTS

## e. Expenditure incurred in Foreign Currency

₹ In lacs

	2012-13	2011-12
Travelling	11.62	33.99
Technical Assistance & Services/Know-how/Royalty	265.68	226.54
Interest	434.12	938.94

## f. Earnings in Foreign Exchange

₹ In lacs

	2012-13	2011-12
	-	-

As per our report attached.

For **MEHRA GOEL & Co.**

Chartered Accountants

Registration No. - 000517N

**R.K.MEHRA**

Partner

M.No-6102

**S.K.ARYA**

Chairman &amp; Managing Director

**ANAND SWAROOP**

President &amp; CFO

**SUNIL DUTT AGRAWAL**

AVP-Finance

**U.C. Agarwal****D.P. Agarwal****R. Dayal****Achintya Karati****Nishant Arya**

Directors

**S. KARTIK**Company Secretary  
& Compliance Officer

Place: Gurgaon (Haryana)

Date : 15-04-2013

## तुलन पत्र ३१ मार्च, २०१३ तक का

₹ लाखों में

	अनुसूची	वर्तमान प्रतिवेदन अवधि के आंकड़े	पिछली प्रतिवेदन अवधि के आंकड़े
<b>अ इक्विटी एवं देयता</b>			
<b>अंशधारियों की निधियाँ</b>	२		
(क) अंश पूंजी		१,०८२.५०	१,०८२.५०
(ख) संचय तथा अधिशेष		१४,८११.६०	१३,०३८.७१
		१५,८९४.१०	१४,१२१.२१
<b>गैर-वर्तमान देयता</b>	३		
(क) दीर्घकालीन ऋण		१२,५१४.४७	१२,५३५.१८
(ख) स्थगित कर देयता (शुद्ध)		२,७६८.०५	२,५८३.५२
(ग) अन्य दीर्घकालीन देयता		१५६.८५	१५८.३७
		१५,४३९.३७	१५,२७७.०७
<b>वर्तमान देयता</b>	४		
(क) अल्पकालीन ऋण		४,०७०.५६	२,६२५.०८
(ख) व्यापारिक भुगतान राशि		१३,६६६.१६	१७,६६१.००
(ग) अन्य वर्तमान देयता		७,३३३.८१	५,१६१.४२
(घ) अल्पकालीन प्रावधान		८८१.२७	७७२.६३
		२५,९५१.८०	२६,१२०.१३
<b>कुल</b>		५७,६४८.६०	५५,६१८.४१
<b>ब सम्पत्तियाँ</b>			
<b>गैर वर्तमान सम्पत्तियाँ</b>			
(क) अचल सम्पत्तियाँ	५		
१ स्पर्श सम्पत्तियाँ		३५,२३०.६८	३१,८२६.५५
२ अस्पर्श सम्पत्तियाँ		४६.८४	७२.८६
३ पूँजीगत कार्य-प्रगति		२,१८२.११	२,४५०.६४
(ख) गैर वर्तमान निवेश	६	२३८.५५	२३८.५५
(ग) दीर्घकालीन ऋण एवं अग्रिम राशि	७	५८०.४६	१६२.६१
(घ) अन्य गैर वर्तमान सम्पत्तियाँ	८	२,०७४.१३	१,४४३.००
		४०,३५६.०७	३६,१६७.८१
<b>वर्तमान सम्पत्तियाँ</b>	९		
(क) इनवेंटरीज		८,४३१.६६	७,५४७.६७
(ख) व्यावसायिक प्राप्तियाँ		५,८२१.००	७,५७३.६६
(ग) नकद एवं बैंक जमा राशि		२४६.०६	१८७.२६
(घ) अन्य वर्तमान सम्पत्तियाँ		२,७६०.७५	४,४११.६५
		१७,२६९.४७	१९,७२०.६०
<b>कुल</b>		५७,६४८.६०	५५,६१८.४१
महत्वपूर्ण लेखांकन नीतियाँ अनुसूची १ से ३२ वित्तीय विवरणों का अभिन्न भाग हैं	१		

हमारी संलग्न रिपोर्ट के अनुसार

कृते मेहरा गोयल एण्ड कम्पनी  
सनदी लेखाकार  
पंजीकरण संख्या - ०००५१७एन

आर. के. मेहरा  
साझेदार  
सदस्यता संख्या - ६१०२

स्थान : गुडगाँव (हरियाणा)  
तारीख : १५-०४-२०१३

एस. के. आर्य  
सभापति एवं प्रबंध निदेशक

आनन्द स्वरूप  
अध्यक्ष एवं मुख्य वित्त अधिकारी

सुनील दत्त अग्रवाल  
सहभागी उपाध्यक्ष - वित्त

यू.सी. अग्रवाल  
डी.पी. अग्रवाल  
आर. दयाल  
अचिन्तय कराती  
निशांत आर्य  
निदेशक

एस. कार्तिक  
कम्पनी सचिव एवं अनुपालन अधिकारी

## लाभ एवं हानि का विवरण ३१ मार्च, २०१३ को समाप्त वर्ष तक का

₹ लाखों में

	अनुसूची	वर्तमान प्रतिवेदन अवधि के आंकड़े	पिछली प्रतिवेदन अवधि के आंकड़े
<b>१ परिचालन से आय</b>			
परिचालन से सकल आय	१०	१३३,८५५.५६	१२१,३८४.१२
घटाया :- उत्पाद शुल्क		१५,८३२.६३	१४,५५२.६८
परिचालन से शुद्ध आय		११८,०२२.६६	१०६,८३१.४४
<b>२ अन्य आय</b>	११	३४२.२२	२२३.०३
<b>३ कुल आय (१+२)</b>		११८,३६४.८८	१०७,०५४.४७
<b>४ व्यय</b>			
उपयोग की गई सामग्री की लागत		६५,०७८.४८	८५,६११.७७
तैयार माल एवं प्रगतिशील कार्य की इनवेंटरीज में परिवर्तन	१२	(८७८.१०)	(१३५.१६)
कर्मचारी लाभ संबंधी व्यय	१३	६,२५६.६०	५,६६०.३१
वित्तीय लागत	१४	१,६५०.००	२,१५०.५६
हास एवं परिशोधन व्यय		४,५५४.३५	३,८०१.७८
अन्य व्यय	१५	८,२०३.२८	६,७४२.८३
<b>कुल व्यय</b>		११५,१६४.६१	१०४,१६२.०६
<b>५ कर पूर्व लाभ (३-४)</b>		३,२००.२७	२,८९२.३८
<b>६ कर व्यय :</b>			
(१) वर्तमान कर		६४०.३०	५६३.०६
घटाया : - मैट क्रेडिट		१६२.८०	(५६३.०६)
		८०३.१०	.
(२) स्थगित कर		२१४.५२	६२३.८८
(३) पहले के वर्ष		२६.५२	५.५६
<b>७ अवधि में लाभ : (५-६)</b>		२,१५३.१३	१,६६२.६१
<b>८ प्रति इक्विटी शेयर कमाई (₹ में)</b>	१६		
(१) मूल		६.६५	६.०७
(२) तनुकृत		६.६५	६.०७
महत्वपूर्ण लेखांकन नीतियां अनुसूची १ से ३२ वित्तीय विवरणों का अभिन्न भाग हैं	१		

हमारी संलग्न रिपोर्ट के अनुसार

कृते मेहरा गोयल एण्ड कम्पनी  
सनदी लेखाकार  
पंजीकरण संख्या - ०००५१७एन

आर. के. मेहरा  
साझेदार  
सदस्यता संख्या - ६१०२

स्थान : गुडगाँव (हरियाणा)  
तारीख : १५-०४-२०१३

एस. के. आर्य  
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निदेशक

एस. कार्तिक  
कम्पनी सचिव एवं अनुपालन अधिकारी

## NOTICE

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of Jay Bharat Maruti Limited will be held on Monday, 19<sup>th</sup> day of August, 2013 at Airforce Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010, at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2013 and the Report of the Directors' and Auditors' thereon.
2. To declare Dividend.
3. To appoint Director in place of Mr. Uday Chand Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Achintya Karati, who retires by rotation and being eligible, offers himself for re-appointment.
5. To reappoint M/s Mehra Goel & Company, Chartered Accountants, the retiring Auditors of the Company, as Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

#### 6. RE-APPOINTMENT OF MR. S K ARYA AS CHAIRMAN & MANAGING DIRECTOR

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

**"RESOLVED THAT** pursuant to provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactments thereof for the time being in force) and subject to the approval of the Central Government, if any required, Mr. S K Arya be and is hereby re-appointed as Chairman & Managing Director of the Company for a further period of five (5) years with effect from 10<sup>th</sup> June, 2013 on the terms and conditions and remuneration as set out below:

a) **Basic Salary:** ₹ 5,00,000/- (Rupees Five Lacs only) per month in the pay scale of ₹ 5,00,000 - 75,000 - 800,000

#### b) Perquisites

In addition to the basic salary, Mr. S. K. Arya shall be entitled to perquisites like furnished accommodation (including gas, water, electricity etc.) or payment of House Rent Allowance (HRA); House maintenance allowance/ reimbursement; Allowance/ reimbursement for domestic help/ servant(s); Child education allowance/reimbursement; Medical allowance/ reimbursement; Accident/Medical insurance; Leave travel expenses/ or allowance for self, spouse, dependent children and dependent parents; Club fee or any other permissible perquisite. The aggregate value of these perquisites shall be restricted to an amount equivalent to 150% of the basic salary per month.

Apart from the above, he shall also be entitled to the following, which shall not be included in the computation of perquisites for the purpose of calculating the said ceiling of perquisites:

- i. Company's chauffeur driven car(s) for the business of the Company;
- ii. Telephone facility at residence to be used for the business of the Company;
- iii. One month's leave with full salary for every eleven (11) months of service; and
- iv. Reimbursement of entertainment/traveling/hotel and other expenses actually and properly incurred for the business of the Company;
- v. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund;
- vi. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service in the company;
- vii. Encashment of leave at the end of the tenure.

c) **Commission:** Mr. S.K. Arya shall be entitled to such remuneration as commission not exceeding 2% of Net Profit computed in accordance with the provisions of section 198, 309 & 349 of the Companies Act, 1956 in addition to the above salary and perquisites, as may be determined by the Board of Directors of the Company or any Committee thereof at the end of each financial year.

**RESOLVED FURTHER THAT** the overall remuneration payable to Mr. S.K. Arya shall not exceed the maximum permissible limits as prescribed under the Companies Act, 1956, except with the previous approval of the Central Government.

**RESOLVED FURTHER THAT** the perquisites and allowances shall be evaluated as per the provisions of the Income Tax Rules in force from time to time, wherever applicable. In the absence of any such rules, perquisites and allowance shall be evaluated at actual cost.

**RESOLVED FURTHER THAT** Mr. S.K. Arya shall not be liable to retirement by rotation and shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof.

**RESOLVED FURTHER THAT** in case of inadequacy of profits /or no profits in the Company in any financial year, Mr. S. K. Arya shall be paid the remuneration as aforesaid including such amount of commission, as may be decided by the Board of Directors as minimum remuneration with the previous approval of the Central Government, if required and in addition thereto, he shall also be entitled to the following perquisites (not to be included in the computation of the ceiling of the minimum remuneration):

- i. Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

- ii. Gratuity payable at the rate not exceeding half-month's salary for each completed year of service in the company.
- iii. Encashment of leave at the end of the tenure.

**RESOLVED FURTHER THAT** the appointment of Mr. S. K. Arya shall be governed by the following additional terms and conditions:

- (a) Nature of appointment : Contractual
- (b) Period of appointment : 5 Years
- (c) Notice Period for separation : Three months
- (d) Other terms and conditions:

The Managing Director shall have substantial powers of management, subject to the overall superintendence, control and direction of the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors or Remuneration Committee of the Company be and are hereby authorized to alter/vary the terms & conditions from time to time as it may deem fit subject to necessary approvals, if any, in accordance with the applicable provisions of the Companies Act, 1956.

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

## 7. AMENDMENT IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

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

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, Clause 109(1) of the Articles of Association of the Company be and is hereby altered by substituting Clause 109(1) by the following Clause : -

109. (1) Save as provided in Article 93, the Board may elect one of its members as Chairman of its meeting who may also be the Managing Director of the Company and to determine the period for which he is to hold office as such."

By Order of the Board  
for **JAY BHARAT MARUTI LIMITED**

Place: New Delhi  
Date: 12<sup>th</sup> July, 2013

**(S. Kartik)**  
Company Secretary

## NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll only instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.**
2. Members are requested to bring their copy of Annual Report to the Meeting.
3. Members/proxies should bring the Attendance Slip for attending the meeting and hand it over at the entrance of the meeting place. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are requested to write their Client ID and DP ID numbers or Folio Number, whichever is applicable in the attendance slip for attending the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays & Sundays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. (a) The Company has notified closure of Register of Members and Share Transfer Books thereof from Tuesday, 6<sup>th</sup> August, 2013 to Monday, 19<sup>th</sup> August, 2013 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares held in physical form. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose as on that date.  
(b) Members are advised to encash Dividend Warrants within the initial validity period. During this period, dividend warrants shall be payable at par at the pre-designated branches of the Bank.
7. (a) To avoid the fraudulent encashment of dividend, members holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information for printing on Dividend Warrants:
  - Name of sole/first joint holder and folio no.
  - Bank A/c Type and A/c no.
  - Bank Name, Branch & address (with pin code)(b) As per applicable guidelines of Depositories, the Company will be printing Bank Account details on dividend warrants or dividend shall be paid directly to bank through ECS, as per details furnished by Depositories for members holding shares in dematerialized form. The Company will not entertain any direct request from any member for deletion of/change in such Bank details, since any change in details is to be advised by the member directly to their respective Depository Participants.
8. Shareholders holding shares in physical form may authorize the Company with their ECS mandate in the prescribed form for payment of dividend in ECS mode. The Form can be obtained either from the Company or from Share Transfer Agent. Requests for payment of dividend through ECS for the year 2012-2013 should be lodged with M/s. MCS Limited on or before 16<sup>th</sup> August, 2013.



9. Pursuant to the provisions of Section 205-C of the Companies Act, 1956, dividend for the financial year ended 31st March 2006 (2005-06) will be due for transfer to the Investor Education and Protection Fund of the Central Government on 27th September, 2013. Members who have not encashed the dividend warrants so far in respect of the aforesaid period are requested to make their claim to M/s MCS Limited well in advance of the above due date. No claim henceforth shall lie in respect thereof against the Company/or Government hereafter.
10. Non-Resident Indian Members are requested to inform immediately:
- The change in the Residential status on return to India for permanent settlement:
  - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier or any change therein.
11. As per section 109A of the Companies Act, 1956 the shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination is to be made in Form 2B, which will be made available by the Company on request.
12. Members seeking any information or clarification on the Accounts or otherwise are requested to send their written queries to the Company, at least one week before the date of the meeting so that the information required may be made available.
13. The members may address their correspondence either to the Company at its registered office or to its Share Transfer Agent. Please quote your folio number, email address, telephone & fax numbers (if any) for prompt reply.
14. The Company is concerned about the environment and believes in preserving natural resources. The Ministry of Corporate Affairs (MCA) has allowed Companies to send official documents to their shareholders electronically.

Being a responsible Company, committed to reducing the carbon footprint and conserving the environment, we recognize, the underlying theme of green initiative of the MCA and henceforth propose to send the documents like notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report etc. to the e-mail address registered in the records of the Company.

We request shareholders to update their e-mail address with their depository participant to ensure that the annual report and other documents reaches them on their preferred e-mail address. Shareholders holding shares in physical form may intimate us their e-mail address along with the name, address and folio no. for registration at [gogreenjbm@mcsdel.com](mailto:gogreenjbm@mcsdel.com).

#### Brief Profile of Directors retiring by rotation seeking re-election

Particulars	Mr. Uday Chand Agarwal	Mr. Achintya Karati
<b>Date of Birth and Age</b>	November 19, 1927 85 years	March 23, 1946 67 years
<b>Appointed on</b>	June 27, 1989	April 14, 2009
<b>Qualifications</b>	M.A. (Political Science), IAS	B.Com, LLB, CS
<b>Directorship held in other Public Limited Companies</b>	Maharashtra Seamless Ltd.	<ul style="list-style-type: none"> <li>• Uflex Ltd.</li> <li>• Shyam Telecom Ltd.</li> <li>• Sangam ( India ) Ltd.</li> <li>• J.K. Cement Ltd.</li> <li>• Delton Cables Ltd.</li> <li>• Tech Process Solutions Ltd.</li> </ul>
<b>Chairmanship/ Membership of Committees of other Public Limited Companies</b>	Maharashtra Seamless Ltd.	<ul style="list-style-type: none"> <li>• Uflex Ltd.</li> <li>• Shyam Telecom Ltd.</li> <li>• Sangam ( India ) Ltd.</li> <li>• J.K. Cement Ltd.</li> <li>• Tech Process Solutions Ltd.</li> </ul>
<b>Shareholding</b>	Nil	Nil

### IMPORTANT INFORMATION

As per the Securities and Exchange Board of India (SEBI) circular number CIR/MRD/DP/10/2013 dated March 21, 2013, it has been mandated that for making cash payments to the investors, companies whose securities are listed on the stock exchanges shall use, either directly or through their RTI & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS [ LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS) ], NEFT, etc.

In view of the aforesaid circular, the Company shall primarily make all cash payments (like dividend etc) only through RBI approved electronic mode of payment at the first instance.

Shareholders are hereby requested to update their bank account details with their depository participants (in case shares are being held in Dematerialised form) and if the shares are being held through physical certificates, with our Registrar & Share Transfer Agent - M/s MCS Limited at F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020, Phone no: 011-41406149 or write to the Company Secretary at the address of the registered office of the Company.

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

### ITEM NO. 6

Mr. S. K. Arya was re-appointed as the Chairman and Managing Director by the Board of Directors of the Company for a period of 5 years w.e.f 10<sup>th</sup> June, 2008. The said re-appointment and remuneration was approved by the members at the 21<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> August, 2008.

Further the terms of remuneration was amended w.e.f. 1<sup>st</sup> April, 2008.

The Board of Directors of the Company, in its meeting held on 15<sup>th</sup> April, 2013, have re-appointed Mr. S K Arya as Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. 10<sup>th</sup> June, 2013, on the terms and conditions as approved by the Remuneration Committee of the Company, subject to the approval of the members at the Annual General Meeting.

Mr. S. K. Arya, aged 55 years, is the promoter of the Company and has been associated with the Company since incorporation. Mr. Arya is actively associated with the automobile industry and under his leadership, the Company has done very well.

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

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

With the concerted and untiring efforts of Mr. Arya, the Company got various accolades and recognitions.

Mr. S. K. Arya holds Directorship / Chairmanship of other Companies as detailed hereunder:

1. JBM Auto Ltd.	14. Shreeaumji Developers SEZ Pvt. Ltd.
2. JBM Industries Ltd.	15. Shreeaumji Real Estate SEZ Pvt. Ltd.
3. Neel Metal Products Ltd.	16. Satish Buildwell Private Limited
4. JBM International Ltd.	17. Arcelor Neel Tailored Blank Private Ltd
5. Gurera Industries Ltd.	18. JBM Environment Management Pvt. Ltd.
6. A to Z Securities Ltd.	19. JBM MA Automotive Pvt Ltd.
7. JBM Auto System Pvt. Ltd.	20. Vichaar Television Network Limited
8. Neel Auto Pvt. Ltd.	21. Multivision Constructions Pvt. Ltd.
9. ANS Holding Private Ltd.	22. JBM Ogihara Automotive India Ltd.
10. JBM Builders Private Ltd.	23. FJM Cylinders (P) Limited
11. Minda Industries Limited	24. M J Casting Limited
12. Unitech Sai Private Limited	25. JBM CORTUBI Exhaust Systems Pvt. Ltd.
13. Shreeaumji Infrastructure & Projects Pvt. Ltd	

He is also Member / Chairman of various committees of the Board in other Companies as detailed hereunder:

Position	JBM Auto Limited	MJ Casting Limited
Chairman	Shareholder/Investor Grievance Committee	-
Member	Audit Committee Remuneration Committee	Audit Committee

In compliance with the provisions of Section 198, 269, 309 & 310 and other applicable provisions of the Act, the re-appointment and remuneration of Mr. S. K. Arya as mentioned in Item No. 6 of the Notice convening the Meeting is now being placed before the members in General Meeting for their approval by passing of a special resolution. The Board recommends the resolution for your approval.

None of the Directors of the Company except Mr. S. K. Arya and Mr. Nishant Arya, son of Mr. S.K.Arya shall be treated as concerned or interested in this resolution except and to the extent they are members in the Company.

### ITEM NO. 7

The Board of Directors / Shareholders appoint the Managing Director as also the Chairman of the Board till the time he serves as the Managing Director. As per the existing Companies Act, 1956, no provision is required in the articles of association of the Company to appoint Managing Director as also the Chairman of the Board. However, there may be a requirement with respect to the requirement of a provision in the Articles of Association for appointment of Managing Director of the Company to be the Chairman. To incorporate the enabling clause, the amendment in the Articles of Association is necessary. The Articles of Association can be amended with the approval of the shareholders. Your Directors have already discussed the matter and recommend the resolution for the approval of the shareholders.

None of the Directors of the Company is interested in or concerned with the resolution except to the extent they are shareholders in the Company.

By Order of the Board  
for **JAY BHARAT MARUTI LIMITED**

Place: New Delhi  
Date: 12<sup>th</sup> July, 2013

(S. Kartik)  
Company Secretary



# JAY BHARAT MARUTI LIMITED

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

## ATTENDANCE SLIP

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company held on Monday, 19<sup>th</sup> August, 2013 at Airforce Auditorium, Subroto Park, New Delhi- 110010, at 11:00 a.m.

Name of the Shareholder(s)..... (In Block Letters)

Father's/Husband's Name ..... (In Block Letters)

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

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

Signature of the Shareholder(s) or Proxy or Company Representative .....

### Note:

- Members/Proxies are requested to bring the duly filled in Attendance Slip to the 26th Annual General Meeting, to be handed over at the meeting.
- If you intend to appoint a proxy, please deposit duly filled Proxy Form either at the Registered Office of Company or at the office of its Share transfer agent at least 48 hours before the meeting.



# JAY BHARAT MARUTI LIMITED

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

## PROXY FORM

I/We..... resident of ..... in the district of.....being member(s) of the above named Company, hereby appoint.....resident of..... in the district of ..... or failing him ..... resident of ..... in the district of ..... as my/our proxy to attend and vote me/us on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 19<sup>th</sup> August, 2013 at Airforce Auditorium, Subroto Park, New Delhi- 110010, at 11:00 a.m. and at any adjournment thereof.

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

Signed this..... day of..... 2013.

Signed by the said.....

Signature of the Proxy.....

Attested by the shareholder.....

Signature

<p>Affix ₹1/- Revenue Stamp</p>
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**No gift of any nature will be distributed at the Annual General Meeting**

**Forward-looking statements:** This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.





Our milestones are touchstones

### Jay Bharat Maruti Limited

Registered Office:

601, Hemkunt Chambers

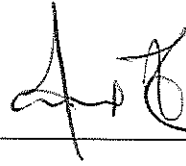
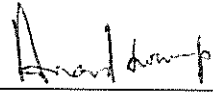
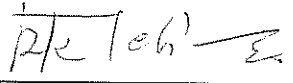
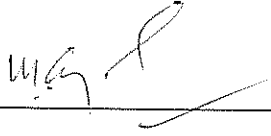
89, Nehru Place, New Delhi -110019

Ph: 91-11-26427104-6 Fax: 91-11-26427100

email : corp@jbm.co.in

www.jbmgroup.com

**FORM A**

1.	Name of the Company	Jay Bharat Maruti Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	Chairman & Managing Director	
	President and CFO	
	Statutory Auditor	
	Audit Committee Chairman	

Regd. Office :

601, Hemkunt Chambers, 89, Nehru Place, New Delhi-110 019 T: +91 11 26427104-06 F: +91 11 26427100

Works :

Plant II : Vill. & Post - Mohammadpur Narsinghpur, Sector-36, Gurgaon-122 001 (Haryana) T: +91 124 4275126-27, F: +91 124 4935332

Plant III : Plot No. 15&22, Sector-3A, Maruti Supplier Park, IMT Manesar, Gurgaon-122 051 (Haryana) T: +91 9999190423, 9899079952

Web. : [www.jbm-group.com](http://www.jbm-group.com)