



Jamna Auto Industries Limited

Annual Report 2010-11

Building Strengths.
Sustaining Profitability. 



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Corporate Information »

Board of Directors

Mr. Bhupinder Singh Jauhar
Chairman

Mr. Randeep Singh Jauhar
CEO & Executive Director

Mr. Pradeep Singh Jauhar
COO & Executive Director

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

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

Mr. Jainender Kumar Jain
Nominee-ICICI Bank Limited

Mr. Dileep Kumar Jain
Nominee-IFCI Limited

Seth Ashok Kumar
Director

Mr. Uma Kant Singhal
Director

Mr. Chander Kailash Vohra
Director

Mr. Shashi Bansal
Director

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

Auditors

Goel Garg & Co.
Chartered Accountants, New Delhi

ASG & Associates
Chartered Accountants, New Delhi

A. K. Kalia & Associates
Chartered Accountants, Chandigarh

Legal Advisors

AZB & Partners
Lakshmi Kumaran & Sridharan

Technical Assistance

Ridewell Corporation, USA

Joint Venture Partner

NHK Spring Co., Ltd., Japan
(NHK Spring India Ltd.)

Bankers

State Bank of India

ICICI Bank Ltd.

Kotak Mahindra Bank

Standard Chartered Bank

IndusInd Bank Ltd.

Lakshmi Vilas Bank

Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020
Tel: 011-26812682 / 26812683
Fax: 011-26292681
E-mail: grievances@skylinerta.com

Investor Cell

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

Registered Office

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

Corporate Office

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

Plants

i) Jai Springs Road, Industrial Area,
Yamuna Nagar - 135001 (Haryana)
Tel: 01732-251810/11/14
E-mail: plant.ynr@jaispring.com

ii) U: 27-29, Industrial Area, Malanpur,
Distt. Bhind - 477116, (M.P.)
Tel: 07539-283396, 409117
E-mail: plant.mln@jaispring.com

iii) Plot no. 22-25, Sengundram Village,
Maraimalai Nagar Industrial Complex, Singaperumal
Koil Post, Distt. Kanchipuram- 603 204 (Tamil Nadu)
Tel: 044-27463800, 27464346/348,
Fax: 044-27464352
E-mail: plant.chn@jaispring.com

iv) Plot No. 263, Karnidh, Chandil,
Distt. Saraikella - Kharswan - 832401 (Jharkhand)
Tel: 0657-2940671
E-mail: plant.jsr@jaispring.com

v) Gata No. 1490, Khajoor Gaon, Chinhat-Deva Road,
Distt. Barabanki - 225003 (U.P.)

Under Subsidiary

vi) Plot No. 50A, Sector-11, I.I.E.,
Pant Nagar, Distt. Udham Singh Nagar - 263153
(Uttarakhand)
E-mail: plant.pantnagar@jaispring.com

Under Construction

vii) Thally Road, Kalugondapalli Post, Hosur - 635114,
Distt. Krishnagiri, Tamil Nadu

viii) Plot No. A-17 to 19, SIPCOT Industrial Park,
Sriperumbadur Taluk, Distt. Kanchipuram, Tamil Nadu

Website: www.jaispring.org

Chairman's Message



// The company recorded consolidated turnover of ₹998 crore. Consolidated Profit After Tax was ₹37 crore compared to ₹19 crore in the corresponding previous year //

Dear Shareholders,

I am very happy to share the highlights of the company's performance for the year 2010-11. The company recorded the highest consolidated turnover of ₹998 crore as against ₹661 crore in 2009-10. The company made Profit before Tax of ₹55 crore as against ₹25 crore in the corresponding period of 2009-10. Consolidated Profit After Tax was ₹37 crore as compared to ₹19 crore in the corresponding previous year period.

During the year under review, the company had raised ₹25 crore through preferential allotment which was used to prepay high cost debt. The debt level came down to ₹66 crore as on 31 March 2011 as against ₹119 crore on 31 March, 2010. Improved performance has also resulted in ROCE jumping to 44% as against 29% in the corresponding previous year's position. Its debt/equity ratio has also improved to 0.50 from 1.45 in 2009-10. It will be the company's endeavour to ensure that the company's net block is equal to its net worth.

I am pleased to announce that our good financial performance enabled us to declare interim dividend of 10% to our shareholders in February 2011. The directors have recommended final dividend of 10% in addition to the interim dividend. Thus, the total dividend will be 20%. The company is committed to improve the stakeholders' value which is evident from improved ROCE and debt/equity ratio.

In my last year's message, I had indicated that the company would actively pursue de-risking strategy and focus on addition of product range, locations, markets and investment in technology.

The company currently has leadership position in Leaf and Parabolic Springs. It is adding Air Suspension and Lift Axles in its product range to move up the value chain. The company has acquired land at Chennai for Air

Suspension and Lift Axle Plant. It has come up with a plant at Lucknow to meet Tata Motors Limited's spring demand. It also acquired land at Hosur to set up a plant to augment parabolic springs capacity.

The company has gone for expansion at Malanpur for which additional land has been acquired adjacent to the present location. Similarly, capacity of Yamuna Nagar plant is also being expanded. Jamshedpur plant began full fledged manufacturing activity during the year under review. As part of our initiative to invest in technology, the company has gone for the latest state-of-the-art parabolic machines and energy efficient equipments.

These initiatives are aimed at addressing the growing demand for Leaf Springs and Parabolic Springs from OEMs and the After Market segment. Spring demand from domestic OEMs continued to be strong. As a result, we faced capacity constraint and could not fully capitalize on the opportunities in After Market segment. Addition of capacity along with technology upgradation and new locations would enable the company to increase domestic and export After Market penetration and logistic advantage. Our growing network of distributors and dealers, who are strategically located across key markets within India, with our diversified range of products and large capacities, are the key factors that shall help us boost our After Market share in the coming year.

The company started export to UD Trucks Corporation, Japan (subsidiary of Volvo) during the year. Long term objective is to add overseas OEM as part of its market expansion plan.

We will continue to focus on higher ROCE and improve PBT margins through better product mix, enhanced capacity, reduced debt as well as by further expanding our distribution network and market reach. We shall also strive to de-risk our business by bringing down the revenue contribution of Indian OEMs from the present level of 90% to 70% by increasing share of domestic and export After Market segment and OEM exports. The company is working towards the goal of bringing down the share of revenue of Leaf Springs from the present level of 90% to 65% and increase share of other product such as Parabolic Spring, Air Suspension and Lift Axle.

As we embark on our strategic plan for product and market diversification, I would like to thank each of our customers, bankers, shareholders and employees for supporting us and being with us at every step of our journey.

Yours sincerely

Bhupinder Singh Jauhar
Chairman

Financial Highlights

(₹ in Lacs)

Year ending 31 March	2011	2010	2009	2008	2007	2006	2005	2004	2003
OPERATIONAL RESULTS									
Sales	99799	66148	52062	54119	32372	21043	20954	12258	6595
Excise Duty	9473	4842	6133	7416	4574	2912	2796	1660	905
Net Sales	90325	61306	45929	46703	27798	18131	18158	10598	5690
Other Income	174	268	797	341	227	54	108	30	49
Total Income	90500	61575	46726	47044	28025	18185	18266	10627	5739
Operating Profit (PBDITA)	10822	7980	3744	6077	2503	1843	1734	1177	248
Interest	2148	2617	3554	2694	1243	1160	1070	795	957
Profit/(Loss) before Depreciation (PBDT)	8674	5363	190	3383	1260	683	664	382	(709)
Depreciation/Amortization	3223	2938	1798	1285	549	399	376	372	369
Profit Before Tax	5451	2460	(1608)	2008	711	283	287	10	(1078)
Provisions for Income Tax and Deferred Tax	1701	549	(351)	402	79	206	101	161	(326)
Profit After Tax (PAT)/(Loss)	3750	1911	(1257)	1606	632	77	186	(151)	(752)
FINANCIAL INDICATORS									
Share Capital	3929	3654	3653	3387	1771	876	876	876	876
Preference Share Capital	350	350	350	350	0	0	0	0	0
Reserves & Surplus	9156	4153	3098	3315	(261)	844	741	699	974
Long Term Loans	6563	10585	13808	13109	8431	6391	6723	6174	5894
Short Term Loans	0	1297	2310	4468	1554	2213	2668	1855	1660
Net Fixed Assets	20593	16754	15694	13261	6364	5416	5285	5268	5559
Investments	525	525	525	527	1208	1208	1208	1208	1208
Net Current Assets	(2604)	(967)	2657	7748	3153	2485	3096	1608	957
RATIO									
EBDIT to Sales %	11.98	13.02	8.15	13.01	9.01	10.16	9.55	11.10	4.36
PBT to Sales %	6.03	4.01	(3.50)	4.30	2.56	1.56	1.58	0.09	(18.94)
PAT to Sales %	4.15	3.12	(2.74)	3.44	2.28	0.43	1.02	(1.42)	(13.22)
EBIT / Avg Capital Employed (ROACE) %	43.64	28.86	9.63	29.15	19.71	15.44	15.36	10.18	(0.01)
PAT/Net Worth (ROANW) %	32.07	35.10	(29.16)	31.40	67.29	10.33	29.28	(25.40)	(86.63)
EPS (₹)	9.74	3.02	(3.59)	5.59	4.89	0.89	2.13	(1.72)	(8.59)
Dividend Per Share (₹)	2.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: Financials from 2009 onwards includes financials of subsidiary company/entity

Highlights 2010-11

Financial



Recorded the highest consolidated turnover of ₹998 crore from ₹661 crore in the previous year



Consolidated Profit before Tax jumped to ₹55 crore from ₹25 crore in the corresponding previous year



Paid 10% interim dividend. Final dividend of 10% has been recommended in addition to the interim dividend



Return on Capital Employed (ROCE) improved to 44% from 29% in the corresponding previous year



Debt to equity ratio came down from 1.45 to 0.50

Operational



Jamshedpur plant started manufacturing operations



Supplies to UD Trucks Corporation, Japan (Volvo subsidiary) started



JAI and JSSLLP received Delivery Performance and After Market support awards from Tata Motors Ltd.



Received 'Best Vendors' award from Ashok Leyland Ltd.



Filed final patent application in India for Air Suspension



New plant at Lucknow starts

Locations

- JAI has five manufacturing plants at Yamuna Nagar, Malanpur, Chennai, Jamshedpur and Pant Nagar (under subsidiary) with annual capacity of 1,80,000 MTs. Jamshedpur plant began manufacturing operations in October 2010.
- JAI's sixth plant has come up at Lucknow and the seventh plant will come up at Hosur during 2011-12. The company has already acquired land there to set up a manufacturing facility for Leaf and Parabolic Springs.
- Capacity expansion at Yamuna Nagar and Malanpur is going on in full swing.
- Additional land has been taken at Malanpur for the expansion to set manufacturing facility for light and heavy parabolic springs. The main thrust of expansion has been on automation and technology upgradation which will give competitive edge in productivity and efficiency.
- JAI's capacity will go up to 2,40,000 MTs per annum after the expansion.
- The company's eighth plant at Chennai is coming for manufacture of Air Suspension and Lift Axle for which land has already been acquired.

Jamshedpur Plant



Malanpur Plant

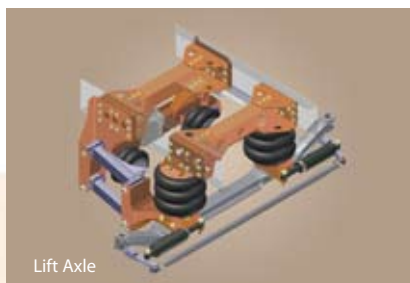


Products

The company currently makes Leaf Springs, Light and Heavy Parabolic Springs. Leaf Springs constitute 90% of the total production.

Once the new plants are operational and expansion is over, the long term objective will be to bring down share of Leaf Springs to 65% of the total revenue. JAI will have the following product range:

- Leaf Spring
- Light Parabolic Spring
- Heavy Parabolic Spring
- Air Suspension and
- Lift Axle



Markets

JAI is the largest manufacturer of tapered Leaf and Parabolic Springs for Commercial Vehicles (CVs) in India and features among the top three spring makers in the world.

JAI is a market leader with 66% market share in the Indian OEM

segment constituting 90% of its total revenue. Every second new CV or bus on the Indian roads is fitted with JAI springs.

JAI makes over 200 models of springs for OEMs and over 1300 varieties of individual springs for replacement market.

Domestic Customers:



International Customers:



Domestic and export After Market segment and OEM exports is the focus area for JAI it contributes 10% of its total revenue. As part of de-risking strategy, the company wants to increase its penetration in the domestic and export After Market segment and OEM exports.

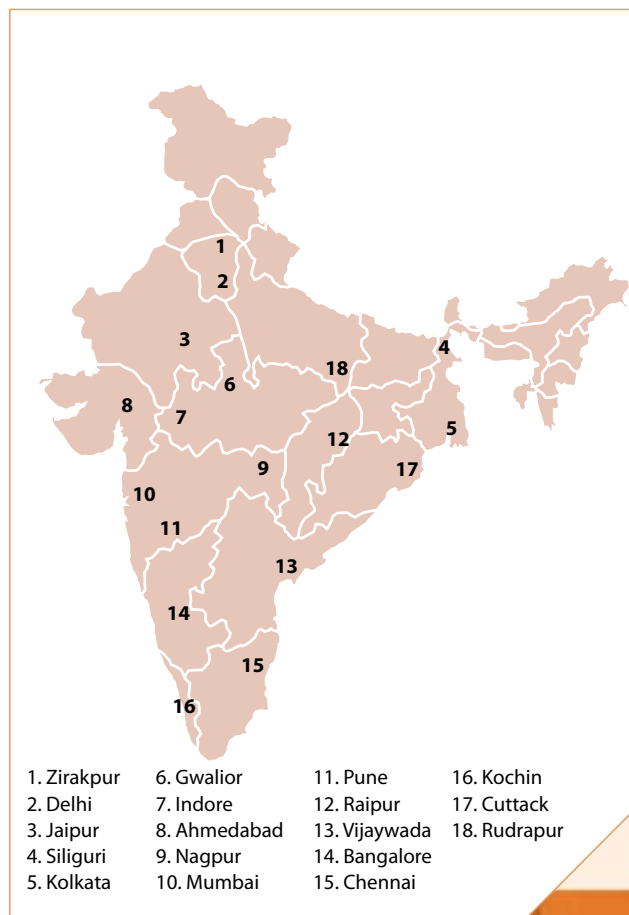
Domestic After Market operations are being spearheaded by the company's subsidiary – Jai Suspension Systems LLP. It is now expanding its footprint in tier II and tier III cities. With its product range of over 350 models, it is strengthening its distribution network to ensure ontime deliver of springs across India.

- JAI's market presence spans 390 towns across India.
- The company has established a wide distribution network and has:

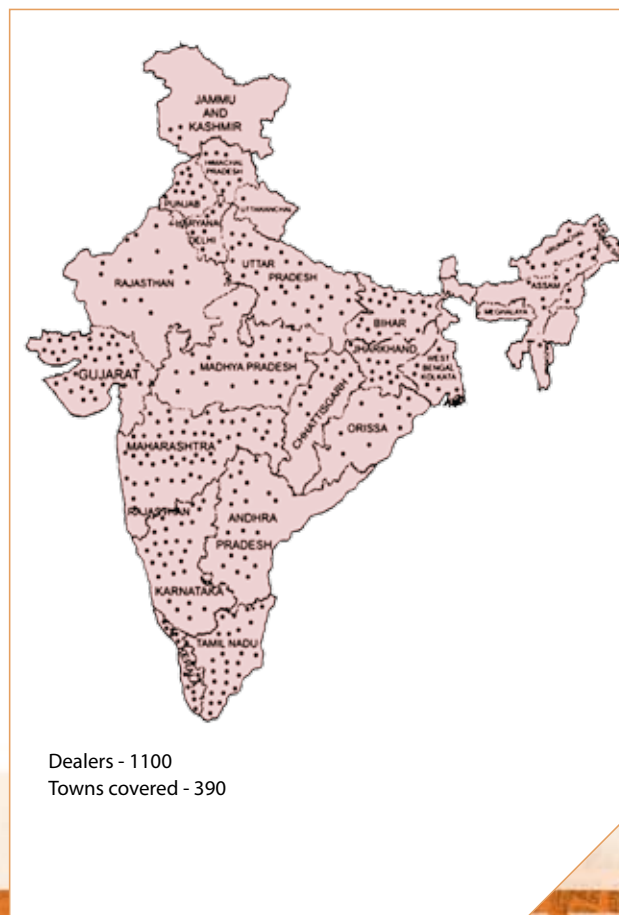
Depots & Warehouses	18
Direct Dealers	1100

Once the company has consolidated its presence in the domestic After Market, its long term objective will to add After Market Exports and OEM exports.

Depot Network



Dealer Network





The company's Corporate Social Responsibility initiative has been divided into four areas:

- a. Environment Conservation
- b. Education
- c. Sports
- d. Community Outreach

Snapshot of some events organized during the year:

- Awareness & Sensitization drive on the hazardous use of poly bags, water conservation, tree plantation, reduction & reusage of waste by slogan writing at plants.
- JAI employees participated in sports at International level.
- Celebrated World Earth & Water Day in March by sensitizing employees on environmental issues.
- Organised Health Check up Camp at Karnidi village, Jamshedpur. Over 120 patients were examined during the camp.





ANNUAL REPORT

DIRECTORS' REPORT

Dear Members,

The Directors of the company are pleased to present the 45th Annual Report, together with the audited accounts and performance for the year ended 31 March 2011:

Financial Results

(₹ in crore)

	Consolidated		Standalone	
	Year ended 31 March 2011	Year ended 31 March 2010	Year ended 31 March 2011	Year ended 31 March 2010
Gross Sales	997.99	661.48	905.06	606.03
PBIDT	108.22	79.80	100.26	71.33
Finance Cost	21.48	26.17	20.35	25.62
PBDT/Cash Profit	86.74	53.63	79.91	45.70
Depreciation & Others	32.23	29.02	24.66	24.24
PBT	54.51	24.61	55.25	21.46
Provision for Current Tax	4.31	0.10	0.01	0.01
Provision for Deferred Tax	12.70	5.40	12.59	5.57
PAT	37.50	19.11	42.65	15.88
Previous Year Adjustment	0.30	8.07	0.17	8.11
Balance Brought Forward	(44.05)	(52.73)	(48.78)	(56.56)
Profit Available for Appropriation	24.95	8.68	29.68	7.77
Balance Carried to Balance Sheet	(19.10)	(44.05)	(19.10)	(48.78)

Performance

The company recorded its highest turnover during the F.Y. 2010-11 and maintained its leadership position in the leaf spring industry. Consolidated sale during the year under review was ₹998 crore as against ₹661 crore during the F.Y. 2009-10. Consolidated net profit for the F.Y. 2010-11 is ₹37 crore as compared to ₹19 crore during the F.Y. 2009-10.

During the year the company made preferential issue of 2631578 equity shares to Clearwater Capital Partners Singapore Fund III Pvt Ltd and the promoters. The entire preferential issue proceed of ₹25 crore was utilized to prepay high cost term loans. This along with ploughing back of profits has reduced the total debt of the company from ₹119 crore as on 31 March 2010, to ₹66 crore as on 31 March 2011. The company brought down its finance cost to 2% of sales against 4% of sales during F.Y. 2009-10. During the year under review, debt reduction improved debt/equity ratio from 1.45 to 0.50 and also brought down the breakeven point. The company is committed to improve the shareholders wealth by improving its margins and return on capital employed from current level of 44% and emerge financially strong to enable

it to withstand any future shock of recessionary or slowdown trend in the economy.

Increase in prices of raw material, power and oil and other commodities had put pressure on the margins. However, the company improved efficiency in its operation with value addition and higher sales, reduced finance cost. Consolidated PBT increased from ₹25 crore to ₹55 crore and consolidated PAT increased from ₹19 crore to ₹37 crore. Inflationary trends continue to cause worries which have led to hardening of interest rates and are bound to leave its impact on the overall growth of the economy. The GDP growth forecast of 8-9% during 2011-12 onwards may not be sustainable if inflation is not controlled. Hike in oil prices will also have its impact in the overall growth. The company is improving efficiency in its operation to contain cost and has gone for energy efficient equipment as part of its expansion and technology upgradation.

The company shared its earnings with the shareholders and paid an interim dividend of ₹1 per equity share during the F.Y. 2010-11 and also proposing to pay final dividend of ₹1 per equity share.

During the year under review, the company's wholly owned subsidiary i.e. Jai Suspension Systems Limited was converted into a Limited Liability Partnership Firm. The company is the majority partner in the partnership firm having 99.9975% share.

Product

The company is India's largest and among the world's top 3 leaf and parabolic springs manufacturer for commercial vehicles (CVs). The current product range of the company comprises leaf and parabolic springs. The leaf spring has major share in the product mix of the company. However, as planned share of parabolic springs in the product mix increased from 8% to 10% during the F.Y. 2009-10.

Going up the value chain, the company acquired land in Chennai to set up a plant to manufacture Air Suspension and Lift Axle. Air Suspension and Lift Axle will be made in technical collaboration with Ridewell Corporation, a leading suspension manufacturer in USA. Prototypes of Air Suspension and Lift Axle developed are undergoing rigorous trial.

After the completion of the company's expansion plans the company will add, Air Suspension and Lift Axles in its product mix besides the existing range of leaf springs, light and heavy parabolic springs. The company is focused in its plans of



product and market diversification and to emerge as a strong player in the CV segment.

Market

OEM India continued to be the major customers of the company and constitute 90% of the turnover.

After Market segment constitute 9% of the turnover. The company considers the growing domestic and export After Market and OEM exports an important tool of its de-risking strategy and increase its footprint in this segment.

Locations

The manufacturing facilities of the company are located at Yamuna Nagar (Haryana), Chennai (Tamil Nadu), Malanpur (Madhya Pradesh) and Jamshedpur (Jharkhand). Further, Jai Suspension Systems LLP, has its Plant at Pant Nagar (Uttarakhand). Considering the robust demand building up from the existing players as well as the new entrants, the company has undertaken expansion at its Yamuna Nagar and Malanpur plants. The company has acquired additional land for expansion of its existing plant at Malanpur. The Jamshedpur plant commenced commercial production from October 2010. Lucknow Plant has also been set up during the year.

The company has completed the land acquisition for its seventh plant at Hosur (Tamil Nadu).

Domestic After Market operations are being spearheaded by the company's subsidiary – Jai Suspension Systems LLP. The company has pan India after market network of 18 depots and 1100 dealers. After completion of the expansion plans, the company will have presence at Yamuna Nagar, two plants at Chennai, Malanpur, Jamshedpur, Lucknow, Hosur and Pant Nagar (Subsidiary).

Patent Application

The company has filed final Patent application for patent in India in respect of its Air Suspension. The company is the owner of copyright of more than 45 designs of Leaf and Parabolic Springs.

Listing of Shares at NSE

From 10 December 2010, equity shares of the company are listed at NSE. The scrip code of the shares at NSE is "JAMNAAUTO" and BSE is 520071

Dividend

During the F.Y. 2010-11 the company has paid an interim dividend of ₹1 per equity share.

Directors are pleased to propose a final dividend of ₹1 on the equity shares of ₹10 each out of the profits for the financial

year ending 31 March 2011 in addition to the interim dividend.

Human Resource

Success of any organisation depends entirely upon the quality of its employees. The company takes pride in its employees' dedication and commitment which is evident from its performance of 2010-11. As the company grows in size and locations, it is extremely important to manage the aspirations of a growing number of professionals. The company is committed to bring in the best H R practices to ensure employee retention. An in-house training department has been set up for raising the skill sets of workers and employees. As we have committed to increase shareholders' wealth, similarly we want to create wealth for our employees as well through the Employees Stock Option Scheme (ESOPs). The company issued ESOPs constituting 3.92% of its equity capital to the employees during the year. The particulars of options issued, as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are appended as 'Annexure B' and form part of this Report.

Internal Control Systems

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

SAP Implementation

During the year 2010-11, SAP has been implemented in the company's Corporate Office and Chennai Plant. SAP has been successfully running in Malanpur Plant since 2008.

Fixed Deposit

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

Energy, Technology Absorption & Foreign Exchange

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

Particulars of Employees

Mr. R. S. Jauhar, Mr. P. S. Jauhar and Mr. S. P. S. Kohli fall under the purview of Section 217(2A) of the Companies Act, 1956. However, as per the provisions of Section 219(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the members of the company, excluding the information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended. Any member interested in obtaining

such information may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Corporate Office during working hours up to the date of Annual General Meeting.

Directors

During the year Mr. R. S. Jauhar was re-appointed as CEO & Executive Director of the company for a period of 3 years w.e.f. 1 January 2011. In accordance with the applicable provisions, Mr. B. S. Jauhar, Mr. Shashi Bansal and Seth Ashok Kumar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A brief of their profiles is also provided in the notice convening the Annual General Meeting.

Auditors

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

The present Statutory Auditors i.e., M/s Goel Garg & Co., Chartered Accountants, M/s A. K. Kalia & Associates, Chartered Accountants and M/s A. S. G. & Associates, Chartered Accountants have expressed their inability to continue as Statutory Auditors of the company. In view of the above, directors recommend M/s B. S. R. & Co; Chartered Accountants may be appointed as Statutory Auditors of the company at the forthcoming Annual General Meeting. M/s B. S. R. & Co; Chartered Accountants has confirmed their eligibility and willingness to act as Statutory Auditors of the company, if appointed. The directors place on record their appreciation for the outgoing auditors' cooperation and support.

Consolidated Financial Statements

The company had converted its wholly owned subsidiary Jai Suspension Systems Limited into a Limited Liability Partnership Firm. It has become a Limited Liability Partnership firm with effect from 21 October 2010. The company is the majority partner in the partnership firm.

Consolidated Financial Statements of the company and Jai Suspension Systems LLP for the financial year 2010-11 have been included in the Annual Report in compliance with the Accounting Standard 21.

Report on Corporate Governance

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

Directors' Responsibility Statement

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

- (a) The Annual Accounts for the financial year ended 31 March 2011 are in conformity with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India and no material departure from the same have been made;
- (b) Such Accounting Policies have been selected and consistently applied and judgments and estimates made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year 2010-11 and of the profit or loss of the company for that period;
- (c) Proper and sufficient care was taken for maintenance of adequate accounting records maintained in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing & detecting any form of fraud and other irregularities;
- (d) The Annual Accounts for the financial year ended 31 March 2011 have been prepared on a going concern basis.

Appreciation

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

We also place on record our appreciation for the contributions made by the shareholders, customers, employees, bankers and financial institutions.

For and on behalf of the Board

Place : New Delhi
Date : 11 July 2011

B. S. JAUHAR
Chairman

ANNEXURE “A” TO THE DIRECTORS’ REPORT

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

A. CONSERVATION OF ENERGY

a) Energy conservation measure taken

- (i) Your company is optimizing the production processes to reduce energy cost.
- (ii) Furnaces are being reinsulated to avoid heat losses.
- (iii) ETP treated water is being utilized for tree plantation and gardening.

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

Your company is engaged in energy conservation on continuous basis.

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

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

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

Not Applicable

B. RESEARCH & DEVELOPMENT

a) Specific areas in which the company carries out R&D

- (i) Introduction of Parabolic springs on new vehicles.

- (ii) Development of Lift Axle System.

b) Benefits derived as a result of R&D

- (i) Enhanced product life.
- (ii) Weight, cost reduction and life & ride improvement with introduction of parabolic springs.
- (iii) Rationalisation of steel for better life and cost.

c) Future plan of action

- (i) Generation of data base on product life with different kind of steel grades.
- (ii) Process establishment for High Stress parabolic springs.

d) Expenditure on R&D (₹ in crore)

- (i) Capital/Deferred Revenue : 0 (15.26)
- (ii) Recurring : 14.85 (0.41)
- (iii) Total : 14.85 (15.67)
- (iv) Total R&D expenditure as percentage of Total Turnover: 1.64% (2.59%).

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

C. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

a) Technology Absorption, adaptation and innovation

- (i) Technology imported from NHK Spring Co., Japan for manufacturing of Leaf Springs has been fully absorbed.
- (ii) Technical help from NHK has yielded better improvement in the quality and productivity for the new product range developed for overseas customers.
- (iii) Technology imported from Ridewell Corporation USA for manufacturing of Air Suspension and Lift Axle has not been fully absorbed as the company is yet to commence full fledged manufacturing of Air Suspension and Lift Axle.

(iv) Your company is also engaged in various other initiatives related to improvements in the process.

b) Benefits derived as a result of the above efforts

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

c) Technology imported

- i) **Year of import** (1985-90 for manufacturing Leaf Springs)
(2009-2010 for manufacturing Air Suspension)

- ii) **Has technology been fully absorbed** Technology imported for Leaf Springs has been fully absorbed. Technology imported for Air Suspension and Lift Axle has not been fully absorbed yet.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of foreign exchange earning and outgo follow as under

Particulars	(₹ in crore)	
	Year ended 31 March 2011	Year ended 31 March 2010
Foreign exchange used	29.57	50.50
Foreign exchange earned	8.83	5.20

Disclosure regarding Employees Stock Option Plan pursuant to the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and forming part of the Directors' Report for the year ended 31 March, 2011.

	Particulars	For the Year ending 31 March 2011	Cumulative options upto 31 March 2011
1.	Number of Options granted	361250	1542711
2.	Pricing formula	Market price at the time of grant of option	Market price at the time of grant of option
3.	Options vested	163519	283039
4.	Options exercised	121572	128097
5.	Total number of shares arising as a result of exercise of option	121572	128097
6.	Options lapsed/Cancelled	240575	339850
7.	Variation in terms of options	Nil	Nil
8.	Money realized by exercise of options	₹4080154.90	₹4279950.40
9.	Total number of options in force	1202857	1202857
10.	Employee-wise details of options granted during the year to		
	(i) Senior managerial personnel	215200	1109661
	(ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	Nil
	(iii) Employees who received the options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil	Nil
11.	Diluted earning per share (EPS) pursuant to issuance of options under ESOP calculated in accordance with International Accounting Standard (IAS) 33	11.17	4.35
12.	<p>The company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, to account for stock options issued under the company's stock option schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.</p> <p>The profit of the company would have been higher by ₹20.58 lacs had the company used the fair value of the options as the method of accounting instead of intrinsic value.</p>		
13.	Weighted average exercise price (per option):	₹65.88	
	Weighted average fair value of per option: (as per black scholes model)	₹19.50	
14.	The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-	8.294% 1 Years 19.86% Nil ₹30.62 for 257000 options ₹44.20 for 57000 options ₹54.95 for 867461 options ₹120.65 for 361250 options	
	– Risk free interest rate		
	– Expected life		
	– Expected volatility (%)		
	– Expected Dividend (%)		
	– Price of underlying shares in the market at the time of option grant		

ANNEXURE “B” CORPORATE GOVERNANCE REPORT

THE COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The company believes that transparency, disclosures, controls and accountability are the essential ingredients of good Corporate Governance practices. The company continuously strives towards adopting the best practices in Corporate Governance in its operations driven by the intent to enhance shareholders value.

BOARD OF DIRECTORS

The Board of Directors provide direction to the management. Mr. Randeep Singh Jauhar is the CEO & Executive Director, Mr. Pradeep Singh Jauhar is the COO & Executive Director and Mr. Surinder Pal Singh Kohli is the President & Executive Director. The Board meets at least once in a quarter to approve financial results, expansion plans, major policy decisions and other agenda items. The Board reviews the certificate of statutory compliance submitted by the Company Secretary regarding compliances with all the applicable laws on a quarterly basis. In compliance with the Clause 49 V of the Listing Agreement, CEO & Executive Director and GM-Finance have made the certification for the Financial Year ended 31 March 2011. The Board consists of 12 members with optimum combination of Independent, Executive and Non Executive directors. The Chairman of the Board, Mr. Bhupinder Singh Jauhar is the Promoter & Non Executive director. The composition of the Board is as follows:

Promoter Directors	Mr. Bhupinder Singh Jauhar (Non Executive Chairman) Mr. Randeep Singh Jauhar (CEO & Executive Director) Mr. Pradeep Singh Jauhar (COO & Executive Director)
Independent Directors	Mr. Jainendar Kumar Jain (Nominee ICICI Bank Ltd) Mr. Dileep Kumar Jain (Nominee IFCI Ltd) Mr. Chader Kailash Vohra Seth Ashok Kumar Mr. Uma Kant Singhal Mr. Shashi Bansal
Non-Independent Directors	Mr. Robert Dean Petty (Nominee Clearwater Capital Partners India Pvt Ltd) Dr. Pierre Jean Everaert (Nominee Clearwater Capital Partners (Cyprus) Ltd) Mr. Surinder Pal Singh Kohli (President & Executive Director)

During the year under review, six meetings of the Board of Directors were held on 30.04.2010, 08.07.2010, 05.08.2010, 21.08.2010, 11.11.2010 and 03.02.2011. Details of attendance of the directors at Board Meetings, last Annual General Meeting held and number of their directorships and committee memberships/chairmanships in accordance with Clause 49 of the listing agreement as on 31 March 2011, are as follows:

Name	Attendance		Particulars of Other directorships/ Committee Memberships/ Chairmanships		
	Board Meetings	Last AGM	Directorship *	Committee Membership **	Committee Chairmanship **
Mr. B. S. Jauhar	-	Yes	-	-	-
Mr. R. S. Jauhar	6	Yes	2	1	-
Mr. P. S. Jauhar	6	Yes	-	-	-
Mr. S. P. S. Kohli	6	No	1	-	-
Mr. Robert Dean Petty	-	No	1	-	-
Dr. Pierre Jean Everaert	-	No	-	-	-
Mr. D. K. Jain	6	No	3	-	-
Mr. J. K. Jain	6	No	3	3	-
Seth Ashok Kumar	-	No	3	1	2
Mr. C. K. Vohra	3	Yes	-	-	-
Mr. U. K. Singhal	6	No	1	-	-
Mr. Shashi Bansal	2	No	-	-	-

BOARD COMMITTEES

Pursuant to the requirement of the Companies Act, 1956, Clause 49 of the listing agreement, SEBI regulations and to expedite resolution of routine matters, the Board has constituted the following committees with specific terms of reference/scope:

- a) Audit Committee
- b) Compensation Committee (ESOP)
- c) Remuneration Committee
- d) Borrowing, Investment & Administrative Committee
- e) Shareholders' Grievance & Transfer Committee

AUDIT COMMITTEE

The scope of the Audit Committee includes role and powers enumerated in Clause 49 (II) of the Listing Agreement. Financial results and accounts are reviewed by the Audit Committee before they are placed before the Board. GM Finance, Statutory Auditors, Internal Auditors and such other officials of the company are invited to attend the Audit Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. During the financial year under review, six meetings of the Audit Committee were held on 30.04.2010, 08.07.2010, 05.08.2010, 11.11.2010, 03.02.2011 and 05.03.2011. The details of attendance of members at Audit Committee meetings are as follows:

Name of the Director	Attendance
Mr. C. K. Vohra, Chairman	3
Mr. U. K. Singhal	6
Mr. J. K. Jain	6
Mr. D. K. Jain	6
Mr. Robert Dean Petty	-

All the members of the Audit Committee are Non Executive and 4 out of which are independent directors. All the members of the Committee are financially literate. The chairman of the Audit Committee, Mr. C. K. Vohra is an Independent Director. He is a retired Indian Revenue Services official and has wide experience in finance.

COMPENSATION COMMITTEE (ESOP)

The Compensation Committee was constituted under SEBI ESOP Guidelines, 1999. The Compensation Committee formulates terms & conditions for granting stock options under ESOP scheme, administer the ESOP scheme and allot shares upon exercise of the stock options. The Company Secretary acts as the Secretary to the Committee. During the financial year under review, six meetings of the Compensation Committee were held. The Compensation Committee had granted 361250 stock options and allotted 121572 shares upon exercise of stock options. Following is the composition of the Compensation Committee:

- i) Mr. U. K. Singhal, Chairman
- ii) Mr. C. K. Vohra
- iii) Mr. J. K. Jain
- iv) Mr. R. S. Jauhar
- v) Mr. Robert Dean Petty



REMUNERATION COMMITTEE

Remuneration Committee makes recommendation to the Board on remuneration of the Executive Directors and other senior executives as designated by the Board. The Company Secretary acts as the Secretary to the Committee. During the financial year under review, one meeting of the Remuneration Committee was held to consider the re-appointment of Mr. Randeep Singh Jauhar, CEO & Executive Director and increase in remuneration of Mr. Surinder Pal Singh Kohli, President & Executive Director. Following is the composition of the Remuneration Committee:

- i) Mr. C. K. Vohra, Chairman
- ii) Mr. U. K. Singhal
- iii) Mr. J. K. Jain
- iv) Mr. D. K. Jain
- v) Mr. Robert Dean Petty

All the members of the Remuneration Committee are Non Executive and 4 out of which are Independent Directors.

BORROWING, INVESTMENT & ADMINISTRATIVE COMMITTEE

The Committee takes decisions on miscellaneous matters including borrowing, investment etc. During the financial year under review, 2 meetings of the Committee were held. The Company Secretary acts as the Secretary to the Committee. The Committee comprises 4 directors. The Chairman of the Committee is Mr. U. K. Singhal who is Non Executive and Independent Director. Following is the composition of the Committee:

- i) Mr. U. K. Singhal, Chairman
- ii) Mr. R. S. Jauhar
- iii) Mr. S. P. S. Kohli
- iv) Mr. Robert Dean Petty

SHAREHOLDERS' GRIEVANCE & TRANSFER COMMITTEE

The Investors Grievance Committee approves the transfer/transmission and transposition of shares held in physical form. The Committee also oversees the effective and timely redressal of shareholder complaints. Details of shares transferred during each quarter are placed before the Board for noting. The Company Secretary acts as the Secretary to the Committee. The Committee comprises two Executive Directors and one Non Executive Independent Director. The Chairman of the Shareholder's Grievance & Transfer Committee, Mr. U. K. Singhal is a Non Executive and Independent Director. Following is the composition of the Committee:

- 1 Mr. U. K. Singhal, Chairman
- 2 Mr. R. S. Jauhar
- 3 Mr. S. P. S. Kohli

CODE OF CONDUCT AND CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Board has laid down a code of conduct for business ethics and code of conduct for insider trading for all Board members and senior management of the company. The codes are available on the website of the company: www.jaispring.org. The insider trading code lays down guidelines pertaining to the preservation or prevention of misuse of price sensitive information, holding period, pre clearance of trade and the disclosures to be made while dealing in shares of the company. Members of the Board and Senior Management personnel have affirmed compliance with the Codes.

ANNUAL GENERAL MEETINGS

The last three Annual General Meetings of the company were held at the Registered Office of the company at Jai Springs Road, Industrial Area, Yamuna Nagar-135 001, Haryana. Following are the details of date, time and special resolutions passed at the AGM's:

Year	2008	2009	2010
Date	30 September 2008	30 September 2009	07 August 2010
Time	11:30 a.m.	11:00 a.m.	11:30 a.m.
Special Resolution	Nil	Nil	Preferential issue of equity shares
Resolution proposed or passed by postal ballot	Nil	Nil	Nil

DISCLOSURES

(a) Basis of related party transactions

There are no materially significant transactions made by the company with its Promoters, Directors of Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the company at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly for its approval.

During the last three years, there have been no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance on any matter related to the capital markets.

(b) Remuneration of Directors

Non Executive Directors

Non Executive Directors are not paid any remuneration except the sitting fee for attending meetings of the Board or Committee of the Board. During the financial year ended 31 March 2011 the company has paid following sitting fee to the Non executive directors:

(₹ in Lacs)		
Name of Director	Sitting Fee Paid	No. of Equity Shares held
Mr. D. K. Jain	1.20	-
Seth Ashok Kumar	-	5250
Mr. J. K. Jain	1.75	-
Mr. C. K. Vohra	0.85	-
Mr. U. K. Singhal	2.50	-
Mr. Shashi Bansal	0.20	-
Mr. Robert Dean Petty	-	-
Mr. Pierre Jean Everaert	-	-

Apart from payment of sitting fee there has been no pecuniary transaction or relationship between the company and its Non Executive and/or Independent Directors during the year ended 31 March 2011. No stock options were granted to Non Executive Directors or Independent Directors.

Executive Directors

The company has three Executive Directors. Mr. Randeep Singh Jauhar is the CEO & Executive Director, Mr. Pradeep Singh Jauhar is the COO & Executive Director and Mr. Surinder Pal Singh Kohli is the President & Executive Director. The company pays monthly remuneration to all the three Executive Directors as per terms of their appointment. The following remuneration was paid to the executive directors during the year 2010-11

	Mr. R. S. Jauhar	Mr. P. S. Jauhar	Mr. S. P. S. Kohli
Total Remuneration	₹97.56 lacs	₹91.91 lacs	₹57.80 lacs
ESOP	-	-	-

(c) Management

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

(d) Shareholders

Mr. Bhupinder Singh Jauhar, Mr. Shashi Bansal and Seth Ashok Kumar are retiring by rotation at the Annual General Meeting and, being eligible, offer themselves for re-appointment at the Annual General Meeting. Following is the shareholding of retiring directors in the company as on 31 March 2011:

i) Mr. B. S. Jauhar	607502 equity shares
ii) Seth Ashok Kumar	5250 equity shares
iii) Mr. Shashi Bansal	Nil

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

(e) Investor Complaints & Compliance Officer

During the financial year ended 31 March 2011 the company has received and resolved 3 complaints. No complaint was pending as on 31 March 2011. Mr. Praveen Lakhera, Company Secretary & Head-Legal is the Compliance Officer. The company confirms that there are no share transfers pending as on 31 March 2011 for more than 21 days from the date of lodgment thereof.

Share Registrar & Transfer Agent (RTA)

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

Skyline Financial Services (P) Ltd.,
D-153 A, First Floor, Okhla Industrial Area, Phase - I
New Delhi-110 020
Ph. 011- 26812682, 26812683 Fax - 26292681
Email: grievances@skylinerta.com

Share Transfer System

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

(f) Relationship between Directors

Mr. Bhupinder Singh Jauhar, Chairman, Mr. Randeep Singh Jauhar, CEO & Executive Director and Mr. Pradeep Singh Jauhar, COO & Executive Director are related to each other. Mr. Bhupinder Singh Jauhar is the father of both Mr. Randeep Singh Jauhar and Mr. Pradeep Singh Jauhar.

- (g)** The company is complying with mandatory requirements of clause 49 of the listing agreement. Towards the non mandatory requirements of clause 49, the company has taken following steps:

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

Remuneration Committee: The Board of Directors has a Remuneration Committee. Details of the Committee are given under the heading 'Remuneration Committee'.

Shareholder Rights: Details are given under the heading "Means of Communications".

Audit Qualifications: There are no audit qualifications in the company's financial statements by the Auditors.

OUTSTANDING GDR/ADR/WARRANT OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

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

DEMATERIALIZATION OF EQUITY SHARES

The equity shares of the company are in compulsory Demat Mode. As on 31 March 2011, 34625336 shares of the company were in dematerialized form which constitutes 88.12% of the total equity share capital.

GENERAL SHAREHOLDERS INFORMATION**Date, Time and Venue of the 45 Annual General Meeting**

Wednesday, 31st August 2011 at 11:30 a.m. at the Registered Office at Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana.

Financial Calendar (tentative and subject to changes)

Financial Year: 1 April 2011 to 31 March 2012

- Un-audited Financial Results for Quarter ending June 2011 : 14 August 2011
- Un-audited Financial Results for Quarter ending September 2011 : 15 November 2011
- Un-audited Financial Results for Quarter ending December 2011 : 15 February 2012
- Un-audited Financial Results for Quarter ending March 2012 : 15 May 2012
- Audited Results for the year ending 31 March 2012: September 2012

Book Closure / Record dates

11 February 2011 was fixed as record date for the purpose of declaration of Interim Dividend.

The register of Members of the Company and Share Transfer Books will remain closed from Monday, 22 August 2011 to Thursday, 25 August 2011 (both the days inclusive) inclusive for the purpose of Annual General Meeting and to determine the eligibility of shareholders for final dividend

Dividend Payment Date

Interim Dividend of ₹1 on each equity share declared on 3 February 2011 was paid on 25 February 2011. If approved at



the Annual General Meeting 20 September 2011 will be the date for payment of final dividend.

Listing on Stock Exchanges

The company's equity shares are listed on Bombay Stock Exchange, Delhi Stock Exchange, and Ludhiana Stock Exchange. From 10 December 2010, the equity shares of the company are also listed at National Stock Exchange. The company code at NSE is "JAMNAAUTO". However, the company has applied to Ludhiana Stock Exchange for delisting of equity shares.

WEBSITE

The company's website address is www.jaispring.org. The website provides updated information about its business, products and locations etc. There is a separate section on Investor relations in the web site which covers periodically updated information about shareholding pattern, financial results, annual reports, code of conduct, insider trading policy, details about the board of directors, contact information of compliance officer, RTA etc. Regular announcements and press releases etc; are updated under the caption "Information Bulletin and Media & Press Release".

ISIN No. (Equity Shares): INE039C01016

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

MARKET PRICE DATA

Bombay Stock Exchange				National Stock Exchange (shares are listed at NSE w.e.f. 10 December 2010)			
Month	High (₹)	Low (₹)	Close (₹)	Month	High (₹)	Low (₹)	Close (₹)
April 2010	113.85	79.50	96.95				
May 2010	101.75	75.35	85.60				
June 2010	90.20	75.60	86.25				
July 2010	139.85	87.00	117.50				
August 2010	161.05	115.50	152.00				
September 2010	172.00	151.05	160.50				
October 2010	174.00	148.00	149.50				
November 2010	166.00	130.00	143.50				
December 2010	154.00	136.55	140.90	December 2010	168.00	133.00	140.00
January 2011	160.95	140.00	140.30	January 2011	159.90	140.00	140.10
February 2011	149.00	125.15	134.00	February 2011	151.00	122.05	138.55
March 2011	144.50	110.70	134.10	March 2011	148.85	125.55	134.90

Distribution Schedule as on 31 March 2011

Share Holding Class	No. of Share holders	% of total number of shareholders	Number of shares of ₹10 each	% of total number of shares
Up to 500	18320	95.06	2384047	6.07
501 to 1000	525	2.72	402782	1.03
1001 to 2000	186	0.97	272475	0.68
2001 to 3000	57	0.30	143642	0.37
3001 to 4000	29	0.15	100526	0.25
4001 to 5000	18	0.09	82573	0.21
5001 to 10000	46	0.24	339901	0.87
10001 and above	92	0.47	35565776	90.52
TOTAL	19273	100.00	39291722	100.00

Shareholding Pattern as on 31 March 2011

Category	No. of shares held	% of total share capital
Promoters	17409880	44.31
Mutual Funds / UTI	26550	0.07
Financial Institutions / Banks	6650	0.02
FII's	300985	0.77
Bodies Corporate	1839018	4.68
Indian Public	6018840	15.31
NRI's / Foreign Nationals	188146	0.48
Foreign Company	13501653	34.36
TOTAL	39291722	100.00

MEANS OF COMMUNICATION

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

Website

The website provides updated information about shareholding pattern, financial results, annual reports, code of conduct, insider trading policy, details about the board of directors, contact information of compliance officer, RTA etc. Regular announcements and press releases etc; are updated under the caption "Information Bulletin and Media & Press Release".

Shareholders Communication

The information regarding the performance of the company is also shared with the shareholders through separate communiqué and the Annual Report.

The company has made presentation to analysts in the financial year 2010-11 which is available at the Investor section of company's website at www.jaispring.org.

A separate section on Management Discussion and Analysis for the year ended on 31 March 2011 also forms part of this Annual Report.

Plant Locations

- a) Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana.
- b) U- 27-29, Industrial Area, Malanpur, District Bhind- 477116, M.P.
- c) Plot No. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, Distt. Kanchipuram- 603 204, Tamil Nadu.
- d) 262 - 263, Village Karnidih, Chandil, District Saraikella, Kharswan - 832401, Jharkhand.
- e) Gata No. - 1490, Khajoor Gaon, Chinhat, Dewa Road, Distt. Barabanki - 225003 U.P.

CORPORATE OFFICE

2 Park Lane, Kishangarh,
Vasant Kunj, New Delhi –110 070
Ph: 011-32648668, 32648698 & 26893192 (Fax)
E-mail: praveen@jaispring.com, www.jaispring.org

COMPLIANCE

This certificate dated 11 July 2011, obtained from the Statutory Auditors forms part of this Annual Report and the same is given herein after.



AUDITOR'S CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE OF THE LISTING AGREEMENT

To
The member of Jamna Auto Industries Limited
We have examined the compliance of conditions of Corporate Listing Agreement of the said company with Stock Exchanges.

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

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

We state that no investor grievances are pending against the company as per the records maintained by the company and presented before the Shareholder's Grievances Committee.

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

For A.S.G. & ASSOCIATES
Chartered Accountants
FR No - 000389N

GOEL GARG & CO.
Chartered Accountants
FR No - 000397N

A. K. KALIA & ASSOCIATES
Chartered Accountants
FR No - 006949N

AMAR JEET SINGH
Partner
M No - 89285

S. C. GARG
Partner
M No - 13370

ANIL K. KALIA
Proprietor
M No - 085672

Place : New Delhi
Date : 11 July 2011

MANAGEMENT DISCUSSION AND ANALYSIS

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

The company's fortune is linked with the commercial vehicle (CV) segment. It is a market leader in leaf and parabolic springs for all the major Indian OEMs and has 66% market share in India. Commercial vehicle segment is highly susceptible to upward or downward swings in the economy. If the economy does well, the CV segment clocks good growth. If there is slight hint of slowdown, it adversely affects the segment and has a cascading effect on those who are solely dependant on supply to OEMs.

The past two years, i.e. 2009-10 and 2010-11 have been very favourable for the CV segment which is evident from company's performance as well. However, the effect of inflationary pressures in the Indian economy is already being felt as the recent policy decisions of the Reserve Bank of India to combat inflation have led to hardening of interest rates. However, new models from existing customers and new customers are with JAI. These developments are likely to have impact in the CV segment and we feel that the trend and growth of past years may not be sustainable in the current year. The industry expects the pace in 2011-12 to be far lower due to the challenges of rising commodity prices, increase in energy cost, rising interest rates.

II. How has the Indian automobile sector, particularly commercial vehicles, performed in 2010-11?

Automobile sales in India grew at record levels in the financial year ended 31 March 2011. The Indian CVs market had shown remarkable growth in the last couple of years due to improving economic environment, growth in export and expansion of motorways and logistic systems.

According to Society of Indian Automobile Manufacturers (SIAM), overall commercial vehicles segment registered growth of 26.97% during April-March 2011 as compared to the same period last year. While medium & heavy commercial vehicles (M&HCVs) registered the highest growth of 31.78%, light commercial vehicles grew at 22.88%, as per SIAM data. In the overall spring demand scenario, share of medium and heavy CVs in springs is 66%.

Category	2008-09	2009-10	2010-11	Growth
Medium & Heavy CVs	192380	248977	344115	38%
Light CVs	111247	159742	222278	39%

III. How does the company perceive the industry's demand outlook for 2011-12 onwards?

Demand for trucks and commercial vehicles is linked to the economic activity which is showing signs of growth constraint.

Tightening liquidity is a key negative for the commercial vehicles demand since increase in interest rates impacts demand for commercial vehicles. Nearly 98% of truck sales in India are dependent on bank funding.

Decelerating Index of Industrial Production (IIP) growth also indicates that truck demand might slow down. Historically seen, growth in truck sales is highly correlated to growth in IIP. Given the high inflation-high interest rate scenario, it is widely believed that the IIP growth is likely to stay subdued in the near term.

Rising inflation explicitly affects consumption and therefore the freight availability and demand for CVs. Historically, this negative correlation has been witnessed in the past.

Recent hike in diesel prices is also going to affect the CV demand. Diesel accounts for more than half of the operating costs for fleet operators. Unlike last year, fleet operators may not be able to pass on the diesel hike as freight volumes are weak and this may adversely impact their ability to buy new trucks.

Near term demand outlook for medium and heavy trucks appears to be sluggish. Bus demand, which had been fuelled by the government-led JNNURM scheme, also appears to be tapering off. However, if the infrastructure expending goes up or over loading is banned this will boost up the demand.

IV. What is the short term and long term outlook of the company?

During the year under review, JAI has undertaken various initiatives aimed at enhancing operational and cost efficiencies across various facets of its operations.

The company is committed to maximize shareholders' values by emerging financially strong to insulate itself from any adverse impact in the economy. In the long run, its endeavour will be to ensure that its net worth equals net block.



The company is currently focused on expanding its operations and taking the business through an expanding product line and markets, multi location, capacity expansion, technology upgradation and distribution network. Continuous expansion of its product mix is also advantageous to the company, which is all set to diversify into air suspensions, life axles and bogey suspensions.

The company has set up a plant in Lucknow and has initiated capacity expansion at Yamuna Nagar and Malanpur to cater to the increasing demand for parabolic springs. Jamshedpur plant which began assembly operation in 2009-10 became a full-fledged manufacturing plant in 2010-11. It also acquired land at Chennai and Hosur to meet the growing demand from leading and new entrants in the OEM sector. The Chennai Plant will manufacture Air Suspension and Lift Axles while Hosur Plant is being set up for leaf and parabolic springs. Both these Plants will be operational from early 2012. Jamshedpur plant which began assembly operation in 2009-10 became a full-fledged manufacturing plant in 2010-11.

JAI is continuously striving for market diversification in an effort to strategically extend OEM supplies to its key clients located across India. After Market demand would continue to fuel non-cyclical demand for auto-component companies. After Market demand trajectory would follow an increasing trend due to the robust CAGR in India's auto sales over past few years. The company has over 1100 dealer network which is being further strengthened to widen its footprints in the segment.

V. What is the de-risking strategy of the company?

Since the company's major sales are to the OEMs, any adverse economic condition could impact CV segment. To counter such adverse industry scenarios, the company has been aggressively trying to increase its presence in the domestic and overseas After Markets and also OEM exports. The company's goal is to bring down revenue contribution of OEMs from the present 90% to 70% and increase penetration in domestic and export After Market and OEM exports. The company continues to build on its multi-location and multi-product offerings and the goal is to bring down the share of revenue of Leaf Spring to 65%. JAI's wide distribution and strategic locations gives it logistic advantage and competitive edge in the growing domestic After Market. Going ahead, the overseas After Market is also expected to further help the company de-risk its business. The company has invested heavily in technology to drive competitive edge in the market place. The ongoing R&D initiatives enable it to stay ahead of the demand curve and adapt to the evolving market scenario and demand.

VI. What are the internal controls in the company?

The company places strong emphasis on best practices in corporate governance. SAP has been implemented in its Corporate Office and two main Plants (Malanpur & Chennai). The company has put in strong internal controls with proper schedule of authority. Besides an external Internal Auditor, the company has an independent Internal Audit Department which constantly reviews accounting, legal, safety and environment compliances.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF JAMNA AUTO INDUSTRIES LIMITED.

1. We have audited the attached Balance Sheet of **JAMNA AUTO INDUSTRIES LIMITED** as at 31 March 2011 and also the Profit & Loss Account annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amend.), Order 2004 issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.

- c. The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
- d. In our opinion, the Profit & Loss Account and the Balance Sheet and Cash Flow Statement of the company comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- e. On the basis of written representations received from the Directors and on the basis of Form DD-A submitted by all the directors to the company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of the affairs of the company as at 31 March 2011 and;
 - (ii) In the case of Profit & Loss Account, of the profit of the company for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **A. S. G. & ASSOCIATES**
Chartered Accountants
FR No - 000389N

AMAR JEET SINGH
Partner
M No - 089285

Place : New Delhi
Date : 11 July 2011

GOEL GARG & Co.
Chartered Accountants
FR No - 000397N

S. C. GARG
Partner
M No - 13370

A. K. KALIA & ASSOCIATES
Chartered Accountants
FR No - 006949N

ANIL K. KALIA
Proprietor
M No - 085672

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

TO THE SHAREHOLDERS OF JAMNA AUTO INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

- (i) (a) In our opinion, the company has maintained proper record, showing full particulars including quantitative details and situation of fixed assets.
- (b) As certified by the Management, the fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies with respect to book records were noticed on such verification.
- (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern status of the company.
- (ii) (a) As explained to us and as certified by the Management, physical verification of inventory has been conducted by Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the record of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- (iii) (a) The company has granted unsecured loan to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Number of such parties is one and amount outstanding as on 31 March 2011 is Nil, maximum amount outstanding during the year is ₹400.00 lacs and
- (b) The rate of interest and other terms and conditions of the loan are not prima facie prejudicial to the interest of the company.
- (c) The loan is repayable on demand. However, as on 31 March 2011 no amount is outstanding. The loan has been squared up.
- (d) Since the principal amount and the interest on the loan has been repaid during the year, sub-clause (d) is not applicable.
- (e) Sub-clauses (e), (f) and (g) are not applicable since the company has not taken any loan secured or unsecured from companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanation given to us the transactions in pursuance of contracts or arrangements entered into register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the explanation furnished by the Management regarding necessity of meeting the technical specification, quality control requirements and delivery schedules. The comparison of the prices of similar transaction with other parties and the prevailing market prices is not available since the company has not dealt with others in this regard.
- (vi) The company has not accepted public deposits, hence the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable. We are informed that no order has been passed by the Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal during the year in this regard.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by the company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However we have not, nor we are required, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(ix) In respect of statutory dues

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor

Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31 March 2011 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues that have not been deposited on account of matters pending in appeal/ adjudication before appropriate authorities are as under :

Sl. No.	Name of Statute	Nature of dues	Forum where dispute is Pending	Amount (₹ in Lacs)
1	Entry Tax/ Sales Tax	Forging benefit	MP Commercial Tax Appellate Board, Bhopal	11.78
2	Nikaykar	Payment of Nikaykar	MP Commercial Tax Appellate Board, Bhopal	0.65
3	State Sales Tax	Set off the sales tax liability incurred during the expansion of the unit	MP Commercial Tax Appellate Board, Bhopal	0.25
4	Central Excise Act, 1944	Excise Duty	High Court, Gwalior	7.47
5	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	2.14
6	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	0.34
7	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	2.29
8	Service Tax	Service Tax on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	3.54
9	Central Excise Act, 1944	Cenvat Credit on goods received back into the factory on the basis of own invoices	Assistant Commissioner Central Excise, Yamuna Nagar	4.05
10	Central Excise Act, 1944	Cenvat Credit towards Service Tax on outward freight.	Assistant Commissioner Central Excise, Yamuna Nagar	1.35
11	Service Tax	Cenvat Credit on service tax paid to custom house agent for export of finished goods	Commissioner (Appeal), Central Excise, Delhi	2.62
12	Service Tax	Cenvat Credit on service tax paid on outward transport of goods	Commissioner (Appeal), Central Excise, Delhi	4.13
13	Service Tax	Cenvat Credit on service tax paid on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	4.24
14	Service Tax	Cenvat Credit on service tax paid on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	3.45
15	Service Tax	Cenvat Credit on service tax paid on outward transport of goods	Customs Excise and Service Tax Appellate Board, Delhi	1.12
		TOTAL		49.42

(x) The accumulated losses of the company are not more than fifty percent of its net worth as on 31 March 2011, and the company has not incurred cash losses during the financial year under consideration.

(xi) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that since the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.

(xiii) The company is not a chit fund/nidhi/mutual benefit fund/ society to which the provisions of special statute relating to chit fund are applicable. Accordingly provision of sub

clause (xiii) of the Order is not applicable.

- (xiv) According to the information and explanations given and is capital of subsidiary LLP by Management, the company is not dealing or trading in shares, securities, debentures and other investments. The company has made investments in unquoted shares of companies for which proper records have been kept by the company. All the investments are in the name of the company.
- (xv) Based on our examination of the records and as explained by the Management, we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) Based on our examination of the Balance Sheet and Cash Flows Statement of the company as at 31 March 2011, and information and explanations given to us, we report that funds raised on a short-term basis have not been used for long-term investment.
- (xviii) The company has only issued, 121572 equity shares to its employees under Employees Stock Option and no other preferential allotment has been made to the parties

and companies covered in the Register maintained under section 301 of the Companies Act, 1956. The price at which 121572 equity shares were issued to the employees under Employees Stock Option is not prima facie prejudicial to the interest of the company.

- (xix) The company has made preferential allotment of shares to a company covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. In our opinion and according to the information and explanation given to us, the price at which such shares have been issued is not prejudicial to the interest of the company.
- (xx) During the period covered by our Audit report, the company has not issued any debentures requiring report under this clause.
- (xxi) During the year ended 31 March 2011, the company has not raised money by way of public issue. Accordingly, paragraph 4(xx) of the Order is not applicable.
- (xxii) Based on the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the company has been noticed or reported during the year.

BALANCE SHEET AS AT 31 MARCH 2011

₹ in Lacs

Description	Schedule No.	As at 31 March 2011		As at 31 March 2010	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	4279.11		4003.60	
Reserves & Surplus	2	11066.00	15345.11	8369.98	12373.58
LOANS FUNDS					
Secured Loans	3	4703.44		9245.75	
Unsecured Loans	4	1859.71	6563.15	2249.93	11495.68
TOTAL			21908.26		23869.26
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	28041.54		24907.83	
Less: Depreciation		12780.68		10803.11	
Net Block		15260.86		14104.72	
Capital Work-in-Progress		4191.63	19452.49	2149.76	16254.48
INVESTMENTS	6		2642.74		721.99
Deferred Tax - Assets (Liability) (Ref. Note xvii Sch. 20)			(228.77)		1030.25
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	7	8605.73		6816.76	
Sundry Debtors	8	7344.39		5327.49	
Cash and Bank Balances	9	1215.89		1467.84	
Loans and Advances	10	2339.44		2293.55	
		19505.45		15905.64	
Less: Current Liabilities & Provisions	11	23113.54		17633.40	
Net Current Assets			(3608.08)		(1727.78)
MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)	12		1740.29		2712.00
Balance in Profit & Loss Account			1909.58		4878.31
TOTAL			21908.26		23869.26
Significant Accounting Policies and Notes on Accounts	20				

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & Co.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

₹ in Lacs

	Schedule No.	For the Year ended 31 March 2011		For the Year ended 31 March 2010	
INCOME					
Gross Sales	13	90506.16		60602.50	
Less: Excise Duty		9473.11		4841.90	
Net Sales		81033.06		55760.60	
Other Income	14	2784.20	83817.26	1746.14	57506.74
Increase/(Decrease) in Stock	15		(127.22)		(713.00)
TOTAL			83690.04		56793.74
EXPENDITURE					
Material, Manufacturing & Operating Expenses	16	66429.55		44791.00	
Payment to and Provisions for Employees	17	3869.92		2665.63	
Selling & Administrative Expenses	18	3364.36	73663.83	2204.40	49661.04
Profit before Interest, Depreciation & Tax			10026.21		7132.70
Financial Expenses	19		2034.82		2562.34
Profit before Depreciation & Tax			7991.39		4570.36
Depreciation	5		2213.01		1406.62
Profit before Taxation/Previous Year Expenses/Income			5778.38		3163.74
Preliminary/Deferred Revenue Expenses Written off	12		971.71		1053.35
Profit before Exceptional Items & Tax			4806.67		2110.39
Exceptional Items - (Gain)/Loss			(718.59)		(35.88)
Profit before Tax			5525.26		2146.27
Provision for Income Tax (including Wealth Tax)			610.00		0.77
MAT Credit Entitlement			(609.00)		0.00
Provision for Deferred Tax (Ref. Note xvii Sch. 20)			1259.02		556.74
Profit after Tax			4265.24		1588.76
Income Tax Paid for Earlier Years/Adjustments			25.17		18.73
Add/Deduct Prior Year's Expenses/(Income) (net)			(8.09)		792.59
Profit available for appropriation			4248.16		777.46
Transferred to General Reserve			430.00		0.00
Dividend on Equity Shares					
- Interim			392.76		0.00
- Proposed			392.92		0.00
- Tax on Proposed Dividend			63.74		0.00
			2,968.74		777.46
Balance of Profit & Loss Account brought forward			(4878.30)		(5655.77)
Balance Carried To Balance Sheet			(1909.58)		(4878.31)
Significant Accounting Policies and Notes on Accounts	20				
Earning per share - Basic (in ₹) Note No xviii			11.12		2.13
Earning per share - Diluted (in ₹) Note No xviii			11.12		2.13

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & Co.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011

SCHEDULES

₹ in Lacs

	As at 31 March 2011		As at 31 March 2010	
SCHEDULE-1				
SHARE CAPITAL				
AUTHORISED				
63886500 Equity Shares of ₹10 each (Previous Year 63886500 Equity Shares)		6388.65		6388.65
350000 12.50% Optionally Convertible Cumulative Preference Shares of ₹100 each (Previous Year 350000 Preference Shares)		350.00		350.00
		6738.65		6738.65
ISSUED & SUBSCRIBED				
39319912 Equity Shares of ₹10 each (Previous Year 36566762 Equity Shares)		3931.99		3656.68
350000 12.50% Optionally Convertible Cumulative Preference Shares of ₹100 each (Previous Year 350000 Preference Shares)		350.00		350.00
		4281.99		4006.68
PAID UP				
39291722 Equity Shares of ₹10 each (Previous Year 36538572 Equity Shares)	3929.18		3653.86	
Add: Forfeited Shares (28190 Equity Shares)	1.45		1.45	
	3930.63		3655.31	
Less: Calls in Arrears	1.52	3929.11	1.71	3653.60
350000 12.50% Optionally Convertible Cumulative Preference Shares of ₹100 each (Previous Year 350000 Preference Shares)		350.00		350.00
TOTAL		4279.11		4003.60
SCHEDULE-2				
RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet		67.55		67.55
10% Fully Convertible Warrants forfeited		150.00		150.00
Amalgamation Reserve		1481.46		1481.46
Capital Redemption Reserve		50.00		50.00
Share Premium				
As per last Balance Sheet	12620.78		12619.35	
Addition during the year	2266.02	14886.80	1.43	12620.78
General Reserve				
As per last Balance Sheet	3277.84		3277.84	
Addition during the year	430.00	3707.84	0.00	3277.84
Fully Convertible Warrants forfeited		96.71		96.71
Carried forward loss from merged companies		(9374.36)		(9374.36)
TOTAL		11066.00		8369.98
SCHEDULE-3				
SECURED LOANS				
1. Working Capital Loans from Banks		0.00		615.42
2. Term Loans from Banks & Financial Institutions		4649.53		4099.68
3. Term Loans from Clearwater Capital Partners India Pvt. Ltd.		0.00		4452.08
4. Others		53.91		78.57
TOTAL		4703.44		9245.75

SCHEDULES

NOTES:

1. Working Capital Loans are secured by:

- First pari passu charge by way of hypothecation on the current assets of the company.
- Second pari passu charge on the fixed assets and other moveable assets (other than current assets) of the Malanpur, Chennai, Jamshedpur and Yamuna Nagar Plants.
- Personal Guarantees of Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.
- First pari passu charge on 15 lacs shares of the company held by Promoters/Promoters group given as collateral securities for working capital.

2. Term Loans are secured by:

ICICI Bank Ltd - Current Outstanding ₹1447.37 Lacs

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

ICICI Bank Ltd:- Current Outstanding ₹500.00 Lacs

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

IFCI Limited - Current Outstanding ₹1342.00 Lacs

- First pari passu charge on the fixed assets and moveable assets (other than current assets) of the Chennai Plant.
- Second pari passu charge on the fixed assets and other moveable assets (other than current assets) of the Malanpur, Yamuna Nagar and Jamshedpur Plants.
- Second pari passu charge by way of hypothecation on the current assets of the company.
- Personal Guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director.

State Bank of India - Current Outstanding ₹1360.16 Lacs

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

Clearwater Capital Partners India Pvt. Limited: Term Loans were pre-paid during the year.

3. Others:

H.P. Finance of ₹53.91 lacs (previous year ₹78.57 lacs) is secured by hypothecation of specific assets.

4. Term Loans due within one year ₹1912.07 lacs (previous year ₹2954.65 lacs).

₹ in Lacs

	As at 31 March 2011	As at 31 March 2010
SCHEDULE-4		
UNSECURED LOANS		
Interest Free Sales Tax Loan	1859.71	1954.80
Tata Capital Ltd.	0.00	295.13
TOTAL	1859.71	2249.93

SCHEDULE-5
FIXED ASSETS

Note : Capital Work in Progress includes Capital Advances Out of the total depreciation provided during the year, ₹ Nil (previous year ₹255.40 lacs) being the proportionate amount attributable to the sample development activities has been considered as deferred revenue expenses.

SCHEDULES

₹ in Lacs

	As at 31 March 2011		As at 31 March 2010	
SCHEDULE-6				
INVESTMENTS (AT COST)				
Unquoted Investments				
a.	5249920 Equity Shares of NHK Spring India Ltd. of ₹10 each (previous year 5249920 Equity Shares of ₹10 each) at Cost		525.00	525.00
b.	Investment in Jai Suspension Systems Limited (previous year 1999900 Equity Shares of ₹10 each) at cost		0.00	196.99
	Investment in Subsidiary entity Jai Suspension Systems LLP			
	Fixed Capital		199.99	0.00
	Current account balance		1917.75	0.00
			2642.74	721.99
Note : Jai Suspension Systems Limited was converted into Jai Suspension Systems LLP w.e.f. 21 October 2010				
SCHEDULE-7 CURRENT ASSETS				
INVENTORIES (As certified by the Management)				
	Goods in Transit		90.00	773.18
	Depot Stock		221.06	
	Finished Goods		695.20	897.89
	Work in process		2150.68	2063.25
	Raw Material		4063.86	1866.05
	Stores including Components and Spares		1360.90	1180.41
	Scrap		24.03	35.98
SUB TOTAL			8605.73	6816.76
SCHEDULE-8				
SUNDRY DEBTORS				
a.	Unsecured outstanding for a period exceeding 6 months			
	Considered good	409.35		389.75
	Considered doubtful	217.74		0.00
		627.09		389.75
	Less Provision for Doubtful Debts	217.74	409.35	0.00
				389.75
b.	Other Debts (Considered good)		6935.04	4937.74
SUB TOTAL			7344.39	5327.49
Note : a. For detail of dues for subsidiary (Refer note no. xvi of Schedule 20)				
b. Include provision for dues from subsidiary (Refer note no. xvi of Schedule 20)				
			1368.10	1122.76
SCHEDULE-9				
CASH AND BANK BALANCES				
	Cash in Hand		17.70	5.52
	Balance with Scheduled Banks in			
a.	Current Accounts		754.47	125.36
b.	Fixed Deposits & Margin Money Accounts		443.72	1336.96
SUB TOTAL			1215.89	1467.84

SCHEDULES

₹ in Lacs

	As at 31 March 2011		As at 31 March 2010	
SCHEDULE-10				
LOANS AND ADVANCES				
(Unsecured and considered good)				
Advances recoverable in cash or in kind or value to be received/or to be adjusted		641.44		1328.43
Deposits with Excise Authorities		450.36		469.17
Security Deposits		183.90		148.48
Advance Income Tax-net (including fringe benefit tax)		454.74		347.47
MAT Credit entitlement		609.00		0.00
SUB TOTAL		2339.44		2293.55
TOTAL (Current Assets)		19505.45		15905.64
Note : For loan to subsidiary, please refer to note no. xvi of Schedule 20				
SCHEDULE-11				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors		20794.02		16181.08
Other Liabilities		1063.31		1257.10
PROVISIONS				
Income Tax		626.08		17.08
Wealth Tax		1.77		0.77
Tax on Dividend		63.74		0.00
Proposed Dividend on Equity Share		392.92		0.00
Gratuity		67.64		89.24
Leave Encashment		104.05		88.13
TOTAL		23113.54		17633.40
SCHEDULE-12				
DEFERRED REVENUE EXPENDITURE				
Opening Balance	2712.00		2339.95	
Add: Incurred during the year	0.00	2712.00	1425.40	3765.35
Less: Written off during the year	971.71	971.71	1053.35	1053.35
Closing Balance		1740.29		2712.00

SCHEDULES

₹ in Lacs

	For the Year ended 31 March 2011		For the Year ended 31 March 2010	
SCHEDULE-13				
GROSS SALES				
Domestic	89541.32		60064.45	
Export	964.85		538.05	
Total Sales	90506.16		60602.50	
Less: Excise Duty	9473.11	81033.06	4841.90	55760.60
TOTAL		81033.06		55760.60
SCHEDULE-14				
OTHER INCOME				
Interest Income		122.26		141.82
Miscellaneous Income		1222.99		1134.89
Exchange Fluctuation		0.00		1.22
Export Incentives		11.41		1.42
Sale of Scrap (Non-Operational)		4.33		7.13
Profit on sale of Investments		0.05		0.00
Profit on sale of Assets		1.75		0.15
Sundry Balances Written Off		0.43		0.00
Dividend Income		799.96		299.99
Job Charges		621.02		159.52
TOTAL		2784.20		1746.14
SCHEDULE-15				
INCREASE/DECREASE IN STOCK				
CLOSING STOCK				
Finished Goods	695.20		897.89	
Work in Process	2150.67		2063.25	
Scrap	24.03	2869.90	35.98	2997.12
LESS : OPENING STOCK				
Finished Goods	897.89		838.59	
Work in Process	2063.25		2833.51	
Scrap	35.98	2997.12	38.02	3710.12
Increase/(Decrease)		(127.22)		(713.00)

SCHEDULES

₹ in Lacs

	For the Year ended 31 March 2011		For the Year ended 31 March 2010	
SCHEDULE-16				
MATERIAL, MANUFACTURING & OPERATING EXPENSES				
a. Raw Material Consumption				
Opening Stock	1866.05		991.19	
Add: Purchases	56025.76		38217.09	
	57891.81		39208.28	
Less: Closing Stock	4063.86	53827.95	1866.05	37342.23
b. Manufacturing Expenses				
Stores, Components & Spares Consumed	6035.35		3865.62	
Power & Fuel	5594.20		3087.50	
Machinery Repairs	673.45		386.87	
Job Charges	298.60	12601.60	108.78	7448.77
TOTAL		66429.55		44791.00
SCHEDULE-17				
PAYMENT TO AND PROVISIONS FOR EMPLOYEES				
Salaries, Wages, Bonus and Gratuity		3480.48		2387.94
Contribution to Provident and other Funds		178.55		127.19
Employees Welfare Expenses		210.89		150.50
TOTAL		3869.92		2665.63
SCHEDULE-18				
SELLING AND ADMINISTRATIVE EXPENSES				
Selling and Distribution Expenses				
Sales Promotion and Advertisement	140.15		32.29	
Discount and Rebates	61.53		96.01	
Freight, Forwarding & Packing	1714.81	1916.49	1201.54	1329.84
Administrative and Other Expenses				
Insurance	27.11		18.55	
Rent, Rates & Taxes	91.57		67.57	
Vehicle Running & Maintenance	36.32		18.91	
Building Repairs	39.65		18.20	
Repairs & Maintenance (Others)	92.24		73.18	
Travelling and Conveyance	208.19		148.73	
Postage, Telegram & Telephone Expenses	51.86		45.48	
Printing & Stationery	37.12		31.88	
Subscription	4.18		3.37	
Charity & Donation	0.99		5.90	
Professional Consultancy	272.76		278.12	
General Expenses	138.06		84.94	
Sundry Balances Written Off	0.00		26.28	
Sales Tax Paid Non Recoverable	10.13		0.00	
Recruitment Expenses	3.79		1.00	
Loss on Sale of Assets	47.34		23.48	
Exchange Fluctuation	39.79		0.00	
Bad Debts Written Off	94.14		0.00	

SCHEDULES

₹ in Lacs

	For the Year ended 31 March 2011		For the Year ended 31 March 2010	
Provision for Doubtful Debts	217.74		0.00	
SAP Expenses	21.09	1434.07	18.83	864.42
Auditors Remuneration				
Audit Fee	10.80		7.70	
Certification Fee	3.00	13.80	2.44	10.14
TOTAL		3364.36		2204.40
SCHEDULE-19				
FINANCIAL EXPENSES				
Interest on Term Loans		709.22		801.05
Interest on Working Capital		271.71		705.18
Bill Discounting Charges		381.33		357.76
Bank Charges		672.56		698.35
TOTAL		2034.82		2562.34

SCHEDULE 20 ACCOUNTING CONVENTIONS AND NOTES ON ACCOUNTS

1 Significant Accounting Policies

a. Basis of Accounting

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

b. Fixed Assets

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

c. Depreciation

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

d. Borrowing Cost

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

e. Investments

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

f. Inventories

Inventories are valued as under:

- a) Raw Material : At Weighted Average Cost

(Including stores & components)

- b) Finished Goods : Valued at cost inclusive of manufacturing and other overhead or at realisable value whichever is lower.
- c) Work in Progress : Valued at cost inclusive of manufacturing and other overhead or at realisable value whichever is lower.
- d) Scrap : At Realisable Value

g. Foreign Currency Transaction

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

h. Employees Retirement Benefits

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

Gratuity Liability is charged to the Profit & Loss Account on the basis of actuarial valuation carried out by an approved Actuary as on 31st March of each Accounting Year.

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

i. Excise Duty

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

j. Revenue Recognition

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

k. Lease

i) Finance Lease

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

ii) Operating Lease

Operating lease payments are recognized as an expense in the Profit & Loss Account.

l. Research & Development

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

m. Miscellaneous Expenditure

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

Upto 31 March 2010, revenue expenses incurred on sample development were recognized as deferred revenue expenses which were written off in 5 equal yearly instalments (On pro-rata basis). However with effect from 1 April 2010, the policy has been reviewed and revenue expenditure on sample development incurred during the year has been charged to Profit & Loss Account.

The amount of deferred revenue expenditure recognized on account of Present Value of Interest differential due to

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

n. Taxation

i) Provision for current tax is made in accordance with and at the rates specified under the Income Tax Act, 1961 as amended.

ii) In accordance with Accounting Standard 22 - 'Accounting for taxes on Income', issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and law that have been enacted or substantively enacted as on the Balance Sheet date.

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

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

o. Impairment of Assets

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

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

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

p Intangible Assets (Goodwill & Software)

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

q. Expansion Project Expenses

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

2. NOTES TO ACCOUNTS**i. Contingent Liabilities not provided for in respect of**

₹ in Lacs

	As at 31 March 2011	As at 31 March 2010
a. Demands against the company not acknowledged as debts.	49.42	92.56
b. Claim pending against the company not acknowledged as debts.	116.45	55.19
c. Import machinery under EPCG Scheme	288.32	280.58
d. Bank Guarantees	6.50	6.50

ii. Capital commitments outstanding (net of advances) and not provided for ₹1617.01 lacs (previous year ₹299.38 lacs).**iii. Managerial Remuneration**

₹ in Lacs

	For the Year ended 31 March 2011	For the Year ended 31 March 2010
a. Remuneration	215.03	168.35
b. Provident Fund	13.44	13.05
c. Perquisites	18.80	4.21

iv. Payment to Statutory Auditors

₹ in Lacs

	For the Year ended 31 March 2011	For the Year ended 31 March 2010
a. Audit Fee	10.80	7.70
b. Certification Fee	3.00	2.44
TOTAL	13.80	10.14

v. Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act,

2006 which came into force with effect from 02 October 2006. As per the Act, the company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The information related to their dues / overdue has been furnished by the company for those parties from whom the data is received towards the same.

vi. Fixed Deposits with Banks are pledged against Letter of Credit and Guarantees by the company.**vii. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business.****viii. The company has changed the method of valuation of Inventories as compared to the method as adopted erstwhile by the company. The company has valued the stock by considering weighted average purchase price on the basis of rolling average due to wide fluctuation in purchase price, whereas, earlier Inventory had been valued by considering the weighted average price of goods for the entire period of relevant financial year. As a result of such change, value of inventory has increased by ₹353.76 lacs and accordingly the profit for the period is higher with the similar amount****ix. Deferred Revenue Expenditure has been amortised over a period of five years. A sum of ₹971.71 lacs has been amortised for the current year. However, from the current financial year, the company has not allocated any sum toward Deferred Revenue Expenditure on account of sample development expenses (previous year ₹1425.40 lacs including depreciation of ₹255.40 lacs). If the company had continued the same practice, profit for the year would have been higher by ₹1158.40 lacs and the Deferred Revenue Expenditure in the Balance Sheet would have been higher by the same amount.****x. Balances of some parties are subject to confirmation/ reconciliations****xi. The company operates in a single business segment i.e. manufacturing of Parabolic/Tapered leaf Spring and has its production facilities and all other assets in India. During the year Domestic Segment Revenue is ₹89541.32 lacs (previous year ₹60064.45 lacs) and International Segment Revenue is ₹964.85 lacs (previous year ₹538.05 lacs).****xii. Jai Suspension Systems Ltd. was converted into Jai Suspension Systems LLP w.e.f. 21 October 2010. Consequently the profit of Jai Suspension Systems Ltd. upto 20 October 2010 aggregating to ₹718.59 lacs has been shown as Exceptional Items in the Profit & Loss Accounts.**

xiii. Employees Benefit

The liability of employee gratuity benefit has been determined by an Actuary, appointed for the purpose, in conformity with the principles set out in the AS-15 (revised). The details of which are as under:

Assets / Liability	31 March 2011
a. Present value of obligation	₹210.56 lacs
b. Fair value of plan assets	-
c. Net assets / (liability) recognized in Balance Sheet as provision	₹(210.56) lacs

Summary of membership data

	As at 31 March 2011
a. Number of employees	768
b. Total Monthly Salary (Lacs)	₹34.25
c. Average Past Service (Years)	8.15
d. Average Age (Years)	38.06
e. Average remaining working life (Years)	19.94

Actuarial Assumptions

a) Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company

	31 March 2011
a. Discounting Rate %	8.00
b. Future salary Increase %	5.50
c. Expected Rate of return on plan assets %	0.00

b) Demographic Assumption

a. Retirement Age (Years)	58
b. Mortality Table	LIC (1994 - 96)
c. Ages	Withdrawal Rate (%)
Up to 30 years	3.00
From 31 to 44 years	2.00
Above 44 years	1.00

Actuarial Method

- a) Actuary has used the projected unit credit (PUC) actuarial method to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).

- b) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Scale of Benefits

a. Salary for calculation of gratuity	Last drawn basic salary plus dearness allowance.
b. Vesting Period	5 years of service.
c. Benefit on normal retirement	As per the provisions of payment of Gratuity Act, 1972 as amended.
d. Benefit on early retirement / withdrawal / resignation	Same as normal retirement benefit based on service upto the date of exit.
e. Benefit on death in service	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.
f. Limit	₹10.00 lacs

Actuarial Value

Present value of Gratuity obligation as at the end of period (31 March 2011)	₹210.56 lacs
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Leave encashment is accounted on the basis of actual leaves outstanding to the credit of respective employees at the end of the financial year as per the company's policy.

Note:

In Malanpur unit fund value as per the records of LIC is ₹150.28 lacs. Since as per actuarial valuation total obligation of ₹142.92 lacs is less than fund value with LIC, no provision for gratuity has been made during the year in Malanpur unit.

- xiv. Debtors includes debts of Jai Suspension Systems LLP to the extent of ₹1393.25 lacs.
- xv. As required by Accounting Standard 28 on Impairment of Assets, the company has reviewed potential generation of economic benefits from fixed assets. Accordingly, the provision for impairment loss amounting to ₹ Nil (previous year ₹17.01 lacs) has been made during the year.

xvi. Related party disclosures

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

Companies/entities in which the company has substantial interest (i.e. more than 20% in voting power)	*Jai Suspension Systems Limited
	*Jai Suspension Systems LLP

Key Management Personnel and their relatives

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

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

1. Jamna Agro Implements Pvt. Ltd.	(Mrs. Khem Kaur/ Mrs. Kiran Chadha)
2. S.W. Farms Pvt. Ltd.	(Mrs. Sonia Jauhar/Mr. R. S. Jauhar)
3. MAP Auto Ltd.	(Mr. B. S. Jauhar/ Mr. R. S. Jauhar/Mr. P. S. Jauhar)
4. Jai Suspension Systems Ltd	Wholly owned subsidiary company
5. Jai Suspension Systems LLP	Majority partner in LLP
6. Winthrop Marketing	(Relative of Mr. S. P. S. Kohli)

*** (Jai Suspension Systems Ltd was converted into Jai Suspension System LLP w.e.f. 21 October 2010)**

Transactions with key management personnel / relatives of key management personnel

₹ in Lacs

Name	Nature of transaction	Volume of Transactions during the Year ended on 31 March 2011	Receivable / (Payable) as at 31 March 2011
1. Mr. R. S. Jauhar	Remuneration	97.56	0.00
2. Mr. P. S. Jauhar	Remuneration	91.91	0.00
3. Jamna Agro Implements Pvt. Ltd.	Job Work	95.51	(18.94)
4. S.W. Farms Pvt. Ltd.	Rent	14.40	0.00
5. MAP Auto Ltd.	Rent	2.66	2.53
6. Winthrop Marketing	Commission	11.32	(0.95)
7. Mrs. Kiran Chadha	Remuneration	18.59	0.00
8. Mrs. Sonia Jauhar	Rent	10.00	0.00
9. Jai Suspension Systems LLP	Sale/Purchase/Job Work	7322.51	1368.10
10. Jai Suspension Systems Ltd.	Sale/Purchase/Job Work	3362.35	0.00
11. Mr. S. P. S. Kohli	Remuneration	57.80	0.00
12. MAP Auto Ltd.	Logistic Transactions	1083.97	(134.16)
13. Mr. P. S. Jauhar	Rent	12.00	0.00
14. Jai Suspension Systems Ltd.	Unsecured Loan	Maximum amount outstanding during the year was ₹400 lacs	0.00



xvii. The major components of deferred tax liabilities as on 31 March 2011 and 31 March 2010 are as under:

₹ in Lacs

Particulars	As at 31 March 2011	For the Year ended 31 March 2011	As at 31 March 2010
Deferred Tax Liability is on account of the following			
Depreciation claimed	1508.98	(440.45)	1949.43
Deferred Revenue Expenditure	578.08	(343.73)	921.81
Less : Deferred Tax Assets			
Carry forward Losses	1858.29	(2043.20)	3901.49
TOTAL	228.77	1259.02	(1030.25)

xviii. Earning per share (EPS)

₹ in Lacs

	For the Year ended 31 March 2011	For the Year ended 31 March 2010
a. Calculation of Weighted Average Number of Equity Shares of ₹10 each		
Number of Shares at the beginning of the period	36538572	36532047
Number of Shares at the close of the period	39291722	36538572
Weighted Average Number of Equity Shares during the period	38196363	36522977
b. Net Profit for the period attributable to Equity Shares (₹ in lacs)	4248.16	777.46
c. Basic Earnings (in ₹) per Equity Share	11.12	2.12
d. Diluted Earning (in ₹) per Equity Share	11.12	2.12

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

xx. Additional Information Pursuant to Provision of Schedule VI of the Companies Act, 1956

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

a. Capacity Installed

	As on 31 March 2011	As on 31 March 2010
1. Auto Parabolic /Tapered Leaf Spring/Loose Leaves (MT)	180000	144000
2. Railway (Spare & Loose Leaves)	2400	2400
3. Agriculture Implements	1000	1000

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

₹ in Lacs

	Unit	Opening Stock		Production	Sales		Closing Stock	
		Qty.	Amount	Qty.	Qty.	Amount	Qty.	Amount
Spring & Spring Leaves	MT	1697.930	897.89	126857.876	127434.682	90506.16	1121.124	695.20
		(1396.681)	(838.59)	(106768.559)	(106467.310)	(60602.50)	(1697.930)	(897.89)

c) Particulars of Raw Material Consumed

₹ in Lacs

	Unit	Quantity	Value (₹)
Spring Steel Flats	M.T	138795.448	53827.95
		(111660.622)	(37342.23)

ii.	Value of Imported and Indigenous Raw Material, Stores, Spares & Components consumed	Raw Material	Percentage	Stores, Spares & Components	Percentage
		Value			
	Imported (₹ in lacs)	2985.00	5.55	32.48	0.54
		(4582.83)	(12.27)	(23.70)	(0.61)
	Indigenous (₹ in lacs)	50842.95	94.45	6002.87	99.46
		(32759.40)	(87.73)	(3841.92)	(99.39)
		Stores & spares and Components		Capital Goods	
iii.	Value of Import on CIF Basis (₹ in lacs)	2751.87		29.48	
		(4595.63)		(305.72)	
iv.	Earning in Foreign Exchange from Export of Goods (calculated on FOB Basis) - (₹ in lacs)	883.48			
		(519.85)			
v.	Expenditure in Foreign Currency (On cash basis) (₹ in lacs)				
	Traveling	71.81			
		(35.14)			
	Others	71.61			
		(113.34)			
	The figures in brackets pertain to previous year.				

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & CO.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011



CASH FLOW STATEMENT

₹ in Lacs

Particulars	Year ended 31 March 2011	Year ended 31 March 2010
A Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax & Extra Ordinary Items	4295.35	1846.30
Adjusted for :		
Depreciation	2213.01	1406.62
Net Loss/(Profit) on Sale of Investment	(0.05)	0.00
Net Loss/(Profit) on Sale of Assets	45.59	23.33
Interest Paid	2034.82	2562.34
Misc. Expenditure Written Off	971.71	1053.35
Operating Profit before Working Capital Change	9560.42	6891.95
Adjusted for :		
Inventories	(1788.97)	(940.04)
Trade Receivables	(2016.90)	1136.04
Other Receivables	(45.89)	(544.81)
Trade Payables	4612.94	5612.92
Other Payables	867.19	(436.95)
Cash Generated from Operations	11188.79	11719.10
Less : Interest Paid	2034.82	2562.34
Dividend Paid	785.68	
Provision for Tax	64.74	0.77
Taxation adjustments for Previous Years	0.00	18.73
Income Tax Paid	25.17	0.00
Previous Year's Expenses	(8.09)	792.59
Net Cash Generated from Operations	8286.47	8344.67
B Cash Flow from Investing Activities		
Additions in Fixed Assets	(5474.88)	(2636.42)
Deferred Revenue Expenditure	0.00	(1425.40)
Depreciation included in Deferred Revenue	0.00	255.40
Disposal of Fixed Assets	18.27	(50.81)
Additions in Investments	(1920.75)	0.00
Dividend Received	799.96	299.99
Net Cash Flow from Investing Activities	(6577.40)	(3557.24)
C Cash Flow from Financing Activities		
Net Increase in Share Capital	275.51	0.68
Share Premium	2266.02	1.44
Change in other Reserves & Surplus	430.00	0.00
Net Increase in Borrowings	(4932.53)	(4622.46)
Net Cash from Financing Activities	(1961.01)	(4620.34)
Net Change in Cash & Cash Equivalents	(251.95)	167.07
Cash & Cash Equivalents Closing Balance	1215.89	1467.84
Cash & Cash Equivalents Opening Balance	1467.84	1300.77

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & Co.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration Number	4485	State Code	05
Balance Sheet Date	31	03	2011
	Date	Month	Year

II Capital raised during the year (₹ in thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	26315

III Position of Mobilisation and Deployment of Funds (₹ in thousands)

Total Liabilities	2190826	Total Assets	2190826
Sources of Funds			
Paid-up Capital	427911	Reserves & Surplus	106600
Secured Loans	470344	Unsecured Loans	185971
Application of Funds			
Net Fixed Assets	1945249	Investments	264274
Net Current Assets	(360808)	Misc. Expenditure	1704029
		Deferred Tax	(22877)

IV Performance of Company (₹ in thousands)

Sales & Other Income	9329037	Total Expenditure	2902513
Profit Before Tax	552526	Profit After Tax	426524
Earning per Share (in ₹)	11.12	Dividend Rate (%)	20

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code): 732000

Product Description: PARABOLIC/TAPERED SPRING

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & CO.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

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AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011



AUDITORS' REPORT

To

The Partners of

M/S Jai Suspension Systems LLP

1. We have audited the Balance Sheet of **M/s JAI SUSPENSION SYSTEMS LLP** as at 31st March, 2011 and also the Profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibilities of the LLP's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mismanagement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We further report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts, as required by law have been kept by the entity so far appears from our examination of the Books;

- c) The Balance Sheet dealt with by this report is in agreement with books of accounts;
- d) In our opinion, the Balance Sheet and Profit & Loss Account of the entity dealt with this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 as may be relevant to the entity.
- e) Without qualifying our opinion, attention is drawn to Note No. '6' in Schedule '18' of the Balance Sheet regarding change in method of valuation of inventory, more particularly described therein.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, as may be relevant to the entity, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.
 - In the case of Balance Sheet of the state of affairs of the entity as at 31 March 2011 and
 - In the case of Profit & Loss Account of the **Profit** of the entity for the period ended on that date.

for **K. KHANNA & COMPANY**
Chartered Accountants

Place : New Delhi
Dated : 7 July 2011

KAMAL KHANNA
Proprietor

BALANCE SHEET AS AT 31 MARCH 2011

Amount in ₹

Description	Schedule No.	As at 31 March 2011	
SOURCES OF FUNDS			
PARTNERS' FUNDS			
Partners Capital A/c	1	20000000.00	
Partners Current A/c		191780242.70	211780242.70
Deferred Tax Liabilities (Refer Note No 10 of Schedule 15)			2684964.42
TOTAL			214465207.12
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	2	58724500.16	
Less: Depreciation		7297303.08	
Net Block		51427197.08	
Capital Work-in-Progress		62581185.55	114008382.63
CURRENT ASSETS, LOANS & ADVANCES			
Inventory	3	205647279.61	
Sundry Debtors	4	159992661.08	
Cash and Bank Balances	5	28790883.76	
Loans and Advances	6	13908402.13	
Total Current Assets		408339226.58	
Less: Current Liabilities & Provisions	7	307882402.09	
NET CURRENT ASSETS			100456824.50
TOTAL			214465207.12
Significant Accounting Policies, Notes on Accounts & Contingent Liability	15		

As per our report of even date

For **K. KHANNA & COMPANY**

Chartered Accountants

KAMAL KHANNA

Proprietor

SHAKTI GOYAL

Designated Partner

A K GOYAL

Designated Partner

GAUTAM MUKHERJEE

For Jamna Auto Industries Ltd.-Partner

Place : New Delhi

Date : 7 July 2011



PROFIT & LOSS ACCOUNT

FOR THE PERIOD FROM 21 OCTOBER 2010 TO 31 MARCH 2011

Amount in ₹

Description	Schedule No.	For the period ended on 31 March 2011	
INCOME			
Sales	8	1017348131.43	
Other Income	9	762476.67	1018110608.10
Increase/(Decrease) in stock	10		(4616623.90)
TOTAL			1013493984.20
EXPENDITURE			
Purchase of Trading Goods and Other Expenses		7364048.00	
Material, Manufacturing and Operating Expenses	11	774440699.98	
Payment to and Provisions for Employees	12	22891467.00	
Selling & Administrative Expenses	13	77493658.98	882189873.96
Profit before Depreciation, Interest & Tax			131304110.24
Financial Expenses	14		6479549.62
Profit before Depreciation			124824560.62
Depreciation			1813919.09
Profit before Tax			123010641.53
Provision for Income Tax			132029.00
Provision for Deferred Tax			2684964.42
Profit After Tax			120193648.11
Add/Deduct Prior Year Expenses/(Income) (Net)			(28198.45)
Profit Available for Appropriation			120221846.56
Appropriation of Profit (Share of Retired Partners)			2543.86
Appropriation of Profit (Share of Existing Partners)			120219302.70
Significant Accounting Policies, Notes on Accounts & Contingent Liabilities	15		

As per our report of even date

For **K. KHANNA & COMPANY**

Chartered Accountants

KAMAL KHANNA

Proprietor

SHAKTI GOYAL

Designated Partner

A K GOYAL

Designated Partner

GAUTAM MUKHERJEE

For Jamna Auto Industries Ltd.-Partner

Place : New Delhi

Date : 7 July 2011

SCHEDULES

Amount in ₹

Partners Capital	Fixed Capital Account	Current Account	As at 31 March 2011
SCHEDULE-1			
PARTNERS' CAPITAL			
Jamna Auto Industries	19999500.00	191775447.21	211774947.21
Mr. H. S. Gujral	200.00	1918.19	2118.19
Mr. Shakti Goyal	150.00	1438.64	1588.64
Mr. Ashok Kumar Goyal	150.00	1438.64	1588.64
TOTAL	20000000.00	191780242.70	211780242.70

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 21 October 2010*	Additions	Deductions	As at 31 March 2011	Up to 20 October 2010	For the Period	Deductions	Up to 31 March 2011	As at 31 March 2011	As at 20 October 2010
SCHEDULE - 2										
FIXED ASSETS										
Land	7592108.98	170300.00	0.00	7762408.98	0.00	0.00	0.00	0.00	7762408.98	7592108.98
Building	17849558.00	0.00	0.00	17849558.00	1089330.00	264603.80	0.00	1353933.80	16495624.20	16760228.00
Plant & Machinery	25303759.02	1591372.60	0.00	26895131.62	3968929.40	1300040.05	0.00	5268969.45	21626162.17	21334829.62
Furniture & Fixtures	1642092.06	114771.00	0.00	1756863.06	101328.75	51838.34	0.00	153167.09	1603695.97	1540763.31
Tools & Implements	15197.00	0.00	0.00	15197.00	3967.00	320.00	0.00	4287.00	10910.00	11230.00
Vehicles	1544963.00	330071.00	0.00	1875034.00	99941.00	70038.93	0.00	169979.93	1705054.07	1445022.00
Computer & Software	1496883.00	700557.50	0.00	2197440.50	187331.84	116760.23	0.00	304092.07	1893348.43	1309551.16
Office Equipments	336577.00	36290.00	0.00	372867.00	32556.00	10317.74	0.00	42873.74	329993.26	304021.00
Total	55781138.06	2943362.10	0.00	58724500.16	5483383.99	1813919.09	0.00	7297303.08	51427197.08	50297754.07
Previous Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Work in Progress	0.00	62581185.55	0.00	0.00	0.00	0.00	0.00	0.00	62581185.55	0.00

*Note: As taken over from Jai Suspension Systems Limited on conversion of company into LLP.

Amount in ₹

	As at 31 March 2011
SCHEDULE-3	
CURRENT ASSETS, LOANS & ADVANCES	
CURRENT ASSETS	
INVENTORIES (As taken, valued and certified by the Management)	
Raw Material	46069362.09
Stores including Components and Spares	10591674.23
Goods In Transit	21545834.74
Finished Goods	109383574.73
Work In Process	16139949.82
Traded Goods	1916884.00
TOTAL	205647279.61
SCHEDULE-4	
SUNDRY DEBTORS :	
(Unsecured-Considered Good)	
a. Debts outstanding for a period exceeding 6 months	1420724.00
b. Less than Six Months	158571937.08
TOTAL	159992661.08
SCHEDULE-5	
CASH AND BANK BALANCES	
a. Cash and Cheques in hand	36780.00
b. Bank Balances	19565463.82
c. Margin Money with Bank	1103639.94
d. Fixed Deposit with Bank [FDR Pledged with Sales Tax Department for ₹85000]	8085000.00
TOTAL	28790883.76
SCHEDULE-6	
LOANS AND ADVANCES	
(Unsecured and Considered Good)	
a. Advance recoverable in cash or in kind or value to be received/to be adjusted	2526676.13
b. Inter Corporate Deposit (Including Interest Accrued)	2000000.00
c. Security Deposits - with Govt. Departments	264650.00
d. Security Deposits - with Others	904664.00
e. Advance Income Tax	5000000.00
TOTAL	13908402.13
SCHEDULE-7	
CURRENT LIABILITIES AND PROVISIONS	
CURRENT LIABILITIES	
Sundry Creditors (Net)	238596877.88
Other Liabilities	35984454.21
PROVISIONS	
Provision for Income Tax	28932029.00
Provision for Gratuity	832540.00
Provision for Leave Encashment	3536501.00
TOTAL	307882402.09



Amount in ₹

	Period ended 31 March 2011	
SCHEDULE-8		
SALES		
Domestic	1001546171.64	
Less : Sales Return/Rate Difference	(15182339.79)	1016728511.43
Traded Goods		619620.00
TOTAL		1017348131.43
SCHEDULE-9		
OTHER INCOME		
Interest Income		434060.39
Miscellaneous Income		2587.52
Sales Scrap- Misc.		320238.62
Sundry Balance written off		5590.14
TOTAL		762476.67
SCHEDULE-10		
INCREASE/ (DECREASE) IN STOCKS		
CLOSING STOCK		
Closing Finished Goods	109383574.73	
Work In Process	16139949.82	
Traded Goods	1916884.00	
		127440408.55
Opening Finished Goods	119464466.51	
Work In Process	10658777.94	
Traded Goods	1933788.00	
		132057032.45
Increase/ (Decrease)		(4616623.90)
SCHEDULE-11		
MATERIAL, MANUFACTURING & OPERATING EXPENSES		
a. RAW MATERIAL CONSUMED		
Opening Stock	20736640.00	
Add: Purchases	721664640.18	
	742401280.18	
Less: Closing Stock	46069362.09	696331918.09
b. MANUFACTURING EXPENSES		
Job Work Charges for Raw Material	15721413.00	
Stores, Components & Spares Consumed	59973421.98	
Power & Fuel	1438872.00	
Machinery Repairs	975074.91	78108781.89
TOTAL		774440699.98
SCHEDULE-12		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Salaries & Wages		20648119.00
Contribution to Provident and Other Funds		1801884.00
Employees Welfare Expenses		441464.00
TOTAL		22891467.00

Amount in ₹

	Period ended 31 March 2011	
SCHEDULE-13		
ADMINISTRATIVE AND OTHER EXPENSES		
Administrative Expenses		
Rent, Rates and Taxes	2431853.00	
Insurance	62344.00	
Vehicle Running & Maintenance	82953.00	
Other Repairs	305716.69	
Travelling and Conveyance	2283660.00	
Postage, Telegram & Telephone	360102.52	
Printing & Stationery	333397.89	
Charity & Donation	5200.00	
Professional & Consultancy Charges	889441.34	
General Expenses	519882.02	7274550.46
Payment to Auditors		
Audit Fee	165450.00	
Payment in Other Capacity	60665.00	226115.00
Selling and Distribution Expenses		
Sales Promotion & Advertisement	13866142.00	
Selling Expenses	12120327.57	
Warranty Claim Expenses	45779.45	
Discounts & Rebates	38846332.00	
Freight, Forwarding & Packing	3628582.50	
Sales Tax & Other Taxes paid	1485830.00	69992993.52
TOTAL		77493658.98
SCHEDULE-14		
FINANCIAL EXPENSES		
Interest on Unsecured Loan		1410838.00
Bank Charges		1517800.79
Other Financial Charges		660407.06
Interest to Others		2890503.77
TOTAL		6479549.62

As per our report of even date

For **K. KHANNA & COMPANY**

Chartered Accountants

KAMAL KHANNA

Proprietor

SHAKTI GOYAL

Designated Partner

A K GOYAL

Designated Partner

GAUTAM MUKHERJEE

For Jamna Auto Industries Ltd.-Partner

Place : New Delhi

Date : 7 July 2011

ACCOUNTING CONVENTIONS AND NOTES ON ACCOUNTS

SCHEDULE-15

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, mandatory accounting standards and the provisions of the Companies Act, 1956, as adopted consistently by the entity in accordance with AS-21 being a subsidiary enterprise of a listed company.

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

b) Revenue Recognition

Revenue from the sale of goods is recognised at the point of despatch of finished goods to the customers. Sale is accounted for net of returns on receipt of the rejected material. All expenses & revenue are accounted for on accrual basis. Leave travel assistant to employees are accounted for on payment basis.

c) Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition or construction/installation and also the preoperative expenses/ other attributable expenses incurred upto the date of start of commercial production less accumulated depreciation. Depreciation on Fixed Assets (other than leasehold land, which is not amortised) is provided at the rates and in the manner provided by Schedule XIV to the Companies Act, 1956 under the straight line method in accordance with AS-21.

d) Inventories

Raw material and stores (including components and spares) are valued at cost and finished goods are valued at lower of cost, which includes cost of production and overheads, or net realizable value.

e) Sales

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

f) Employees Retirement Benefits

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

Provision of Gratuity is made during the period and accordingly charged to profit & loss account on the basis of actuarial valuation, in accordance with AS 15 (Revised), "Employee Benefits", for the employees enrolled at the plant. The entity makes annual contributions to the LIC for the Gratuity plan in respect of employees in the Marketing Division.

Provision is made in the Books of Accounts for value of unutilized leaves due to employees at the end of each period.

g) Borrowing Cost

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

h) Excise Duty

The Unit of the entity is exempted from excise duty vide notification no 50/2003 dated 10 June 2003 of Central Government for a period of 10 Years from the date of start of commercial production.

i) Miscellaneous Expenditure

Preliminary expenses are written off to Profit & Loss Account in full on the start of commercial production and deferred revenue expenses incurred are written off to the Profit & Loss Account in five equal installments (on pro rata basis from the date of commencement of commercial production) or during the period for which it carries any economic value.

j) Pre-operative Expenses

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

k) Impairment of Assets

The carrying amounts of assets, other than inventories are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and the value in use which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognized in compliance with AS-28

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

l) Taxation

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

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

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

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

2. NOTES ON ACCOUNTS**1. Contingent Liabilities not provided for:**

- Claim against the entity not acknowledged as debt ₹ NIL.
- 2. Estimated capital commitments outstanding (net of advances) and not provided for ₹21.04 Lacs
- 3. The entity has been formed as Limited Liability Partnership (LLP) w.e.f 21 October 2010 after conversion of the erstwhile company "Jai Suspension Systems Limited" by the order of Registrar of LLP, Delhi vide LLP Identity No. AAA – 2552 dated 21

October 2010. All the shareholders of the erstwhile company have become the Partners in this new entity in the same ratio as it appeared on the date of conversion. The LLP formed on conversion has taken over all assets & liabilities of the erstwhile company at the book value as appearing on the date of conversion.

4. The unit of the entity at Pant Nagar is eligible for 100% deduction of the profit of the said undertaking for first 5 years and 25% for the next 5 years from the year of set up of the undertaking as per provisions of section 80-IC of the Income Tax Act, 1961. The profit on trading/other activities of the entity is taxable as per the other provisions of the Income Tax Act, 1961.

However, the entity is not liable for Minimum Alternate Tax (MAT) as per the Income Tax Act, 1961 therefore no provision is made in the books of accounts.

5. The entity has charged depreciation on plant and machinery on Triple Shift on pro-rata basis for the period of 21 October 2010 to 31 March 2011. Depreciation on fixed assets other than leasehold land is provided at the rate and in the manner provided by Schedule XIV to the Companies Act, 1956 under the straight line method in accordance with AS-21.
6. The enterprise has changed the method of valuation of Inventories as compared to the method as adopted by erstwhile company which has been converted in a Limited Liability Partnership (LLP). The entity has valued the stock by considering weighted average purchase price on the basis of rolling average due to wide fluctuation in purchase price, whereas, before conversion of the company into LLP, the Inventory had been valued by considering the weighted average price of goods for the entire period of relevant financial year. As a result of such change, value of inventory has increased by ₹40.02 Lacs and accordingly the profit for the period is higher with the similar amount.
7. Pursuant to The Micro, Small & Medium Enterprises Development Act, 2006, (MSMED Act 2006) the name(s) of the supplier(s) to whom the entity owe a sum exceeding ₹1.00 lac which is outstanding beyond the specified period as on 31 March 2011 have not been furnished in view of insufficient information from the suppliers regarding their status as MSME unit hence amount overdue to such enterprises as on 31 March 2011 cannot be ascertained. However, no specific claims have been received for interest from suppliers.

8. Security Deposit with Sales Tax Department includes an amount of ₹30, 000/- as NSCs purchased in the name of one of the Partner of the entity and pledged with Sales Tax Department, Rudrapur.

9. Employees Benefit

The liability of employee gratuity benefit has been determined by an Actuary, appointed for the purpose, in conformity with the principle set out in the AS-15 (revised). The details of which are as under:

₹ in Lacs

Assets / Liability	31 March 2011
a. Present value of obligation	8.33
b. Fair value of plan assets	-
c. Net assets / (liability) recognized in Balance Sheet as provision	8.33

Summary of membership data

As at	31 March 2011
a. Number of employees	69
b. Total Monthly Salary (lacs)	7.41
c. Average Past Service (Years)	4.60
d. Average Age (Years)	26.28
e. Average remaining working life (Years)	29.22

Actuarial Assumptions

a) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the entity:

	31 March 2011
a. Discounting Rate %	8.00
b. Future Salary Increase %	5.50
c. Expected Rate of Return on plan assets %	0.00

b) Demographic Assumption

a. Retirement Age (Years)	58
b. Mortality Table	LIC (1994 - 96)
c. Ages	Withdrawal Rate (%)
Up to 30 Years	3.00
From 31 to 44 years	2.00
Above 44 years	1.00

Actuarial Method

- a) Actuary has used the projected unit credit (PUC) actuarial

method to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).

- b) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Scale of Benefits

a) Salary for calculation of gratuity	Last drawn basic salary plus dearness allowance.
b) Vesting Period	5 years of service.
c) Benefit on normal retirement	As per the provisions of payment of Gratuity Act 1972 as amended.
d) Benefit on early retirement/withdrawal / resignation	Same as normal retirement benefit based on service upto the date of exit.
e) Benefit on death in service	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.
f) Limit	₹10.00 lacs.

Actuarial Value

Present value of Gratuity obligation as at the end of period (31 March 2011)	₹8.33 lacs
--	------------

Leave encashment is accounted on the basis of actual leaves outstanding to the credit of respective employees at the end of the financial year as per the entity's policy.

10. In compliance with the AS-22 relating to "Accounting for Taxes on Income" the deferred tax liability has been provided as per details below:

(Amount in ₹)

Particulars	As at 21 October 2010	For the Period	As at 31 March 2011
Deferred Tax Liabilities is on account of followings:			
Difference of WDV of Fixed Assets	0.00	2684964	2684964
Gross Deferred Tax Liabilities	0.00	2684964	2684964
Less: Deferred Tax Assets:			
Carry Forward Losses	0.00		0.00
Other Timing Difference	0.00		0.00
TOTAL	0.00	2684964	2684964

11. Segment Reporting

- i. Information about Business Segment (for the year 2010-11)

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

- ii) Secondary Segment (Geographical Segment)

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

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

A. Company that control the reporting enterprise

1. Jamna Auto Industries Ltd.

Nature of Association

Major Partner

B. Key Management Personnel and their relatives

1. Mr. B. S. Jauhar
2. Mr. R. S. Jauhar - Relative of Key Management Personnel
3. Mr. P. S. Jauhar - Relative of Key Management Personnel
4. Mr. Rajesh Garg - (Ex-Managing Partner)
5. Mr. A.K. Goyal - (Managing Partner)
6. Mr. Shakti Goel - (Managing Partner)

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

1. Map Auto Ltd.

Transactions with Related Parties.

(₹ in Lacs)

Name	Nature of Transaction	Volume of transaction during the period ending 31 March 2011	Receivables / (Payables) as at 31 March 2011
Mr. B. S. Jauhar	Remuneration	40.17	0.00
Jamna Auto Industries Ltd.	Purchases	6689.20	(1393.25)
	Sales	1.31	0.00
	Fixed Assets Purchased	4.70	0.00
	Interest Paid	14.11	0.00
	Job Work Charges	213.17	0.00
	Partner Capital	0.01	0.00
	Transfer of Liabilities	0.01	0.00
Jamna Auto Industries Ltd.	Unsecured Loan Repaid	400.00	0.00
Map Auto Ltd.	Service Charges	100.72	(65.30)
	Transfer of Liabilities	1.15	0.00

Note: Above figures don't include the re-imbursement of expenses incurred on behalf of the entity.



13. Installed Capacity & Actual Production

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

	In M.T.'s	
	Installed Capacity	Actual Production
Parabolic / Tapered Leaf Springs	45000	11702.89

14. Stocks and Turnover (Manufactured Goods)

₹ in Lacs

Class of Goods	Opening Stock* (Finished Goods)		Production	Sales		Closing Stock (Finished Goods)	
	Qty. Nos	Amount ₹ in lacs	Qty. Nos	Qty. Nos	Amount ₹ in lacs	Qty. Nos	Amount ₹ in lacs
Parabolic / Tapered Leaf Springs	261691	1194.64	1121325	1158823	10167.29	221607	1093.84

* Opening Stock is as taken over by the entity from the erstwhile company.

15. Particulars of Raw Material Consumed

₹ in Lacs

	Unit	Quantity	Amount
Spring Steel Flats & Leaves	MT	12,821.11	6963.32

16. Stocks and Turnover (Traded Goods)

₹ in Lacs

Class of Goods	Opening Stock		Purchases		Sales		Closing Stock	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Parabolic/Tapered Leaf Springs	4486	19.34	3422	5.16*	437	6.2	6308	19.17

* Exclusive of Freight & Handling Charges.

17. Information regarding Import and Other Matters:

₹ in Lacs

	Current Period
a. CIF value of imports	0.00
b. Expenditure in Foreign Currency	0.00
c. Value/Quantity of Imported & Indigenous	0.00
Raw Material, Stores & Components Consumed	
i) Raw Material	
Imported	0.00
Value (₹)	0.00
Indigenous	0.00
Value (₹)	6963.32
Percentage of total consumption	0.00
Imported	0.00%
Indigenous	100.00%
ii) Stores & Spare Parts	0.00
Imported	Nil
Indigenous	583.82
Percentage of total consumption	0.00
Imported	0.00 %
Indigenous	100.00 %
d. Earnings in Foreign Exchange Export of Goods (FOB Basis)	0.00

Note: The consumption figures have been derived from the quantitative details available in respect of opening stock, closing stock and purchases made, consumption figures shown after adjusting excesses and shortage on physical count and certain estimates and assumptions made by the management and relied upon by the auditors.

18. Previous year figures have not been given since it is the first year of the entity as LLP having been converted from a Limited Company.

As per our report of even date

For **K. KHANNA & COMPANY**

Chartered Accountants

KAMAL KHANNA

Proprietor

SHAKTI GOYAL

Designated Partner

A K GOYAL

Designated Partner

GAUTAM MUKHERJEE

For Jamna Auto Industries Ltd.-Partner

Place : New Delhi

Date : 7 July 2011

CONSOLIDATED AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JAMNA AUTO INDUSTRIES LIMITED

1. We have examined the attached Balance Sheet of **JAMNA AUTO INDUSTRIES LIMITED and its wholly owned entity for the year ended** on 31 March 2011 and the Consolidated Profit & Loss Account for the year then ended annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of subsidiary entity and the same has been audited by other auditors whose report has been furnished to us, and our opinion, in so far it relates to the amounts included in respect of subsidiary entity are based solely on the report of other auditors.
4. The financial statements of JAI SUSPENSION SYSTEMS LLP have been audited by M/s K. Khanna & Company, whose financial statements reflect total assets of ₹2144.65 lacs and total revenue ₹10181.05 lacs as on 31 March 2011.
5. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jamna Auto Industries Limited and its subsidiary entity included in the consolidated financial statements.
6. On the basis of information and explanation given to us together with note 1(d) in Schedule 20 of the consolidated accounts and on the consolidation of separate audit report on individual audited financial statements of the company and its subsidiary entity, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principals generally accepted in India.
 - a) In the case of the Consolidated Balance Sheet, of the Consolidated state of affair of the company and its subsidiary entity as at 31 March 2011.
 - b) in the case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the company and its subsidiary entity for the year ended on that date : and
 - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the company and its subsidiary entity for the year ended on that date.

FOR **A. S. G. & ASSOCIATES**
Chartered Accountants
FR No - 000389N

GOEL GARG & Co.
Chartered Accountants
FR No - 000397N

A. K. KALIA & ASSOCIATES
Chartered Accountants
FR No - 006949N

AMAR JEET SINGH
Partner
M No - 089285

S. C. GARG
Partner
M No - 13370

ANIL K. KALIA
Proprietor
M No - 085672

Place : New Delhi
Date : 11 July 2011

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

₹ in Lacs

Description	Schedule No.	As at 31 March 2011		As at 31 March 2010	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	4279.11		4003.60	
Reserves & Surplus	2	11066.00	15345.11	8557.35	12560.95
Minority Interest			0.05		0.00
LOANS FUNDS					
Secured Loans	3	4703.44		9631.89	
Unsecured Loans	4	1859.71	6563.15	2249.93	11881.82
TOTAL			21908.31		24442.77
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	28628.79		25437.81	
Less: Depreciation		12853.65		10837.75	
Net Block		15775.14		14600.06	
Capital Work-in-progress		4817.44	20592.58	2153.68	16753.74
INVESTMENTS	6		525.00		525.00
Deferred Tax - Assets/(Liabilities) (Ref. Note xv Sch. 20)			(255.62)		1013.94
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	7	10662.19		7912.27	
Sundry Debtors	8	7551.07		5351.58	
Cash and Bank Balances	9	1503.80		1667.14	
Loans and Advances	10	2478.54		2655.32	
Total Current Assets		22195.60		17586.30	
Less: Current Liabilities & Provisions	11	24799.11		18552.97	
Net Current Assets			(2603.51)		(966.66)
MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)	12		1740.29		2712.00
Balance in Profit & Loss Account			1909.58		4404.75
TOTAL			21908.31		24442.77
Significant Accounting Policies and Notes on Accounts	20				

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & Co.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

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AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011



CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

₹ in Lacs

	Schedule No.	For the Year ended 31 March 2011	For the Year ended 31 March 2010
INCOME			
Gross Sales	13	99798.61	66148.24
Less: Excise Duty		9473.11	4841.91
Net Sales		90325.50	61306.33
Other Income	14	174.14	268.47
Increase/(Decrease) in Stocks	15	383.30	61574.80
TOTAL		90882.94	61170.81
EXPENDITURE			
Material, Manufacturing & Operating Expenses	16	70887.18	46380.59
Payment to and Provisions for Employees	17	4346.19	3024.05
Selling & Administrative Expenses	18	4827.64	3786.35
Profit before Depreciation, Interest & Tax		10821.93	53190.99
Financial Expenses	19	2148.29	7979.82
Profit before Depreciation & Tax		8673.64	2617.33
Depreciation	5	2251.34	5362.49
Profit before Amortisation/Previous Year Expenses/(Income)/Taxation		6422.30	1434.57
Preliminary/Deferred Revenue Expenses Written off	12	971.71	3927.92
Profit before Exceptional Items & Tax		5450.59	1503.35
Exceptional Items - (Gain)/Loss		0.00	2424.57
Profit before Tax		5450.59	(35.88)
Provision for Income Tax (including Wealth Tax)		899.32	2460.45
MAT Credit Entitlement		(468.43)	107.82
Provision for Deferred Tax (Ref. Note xv Sch. 20)		1269.56	(97.99)
Profit after Tax		3750.14	539.67
Income Tax Paid for Earlier Years/Adjustments		25.17	1910.95
Add/Deduct Prior Year's Expenses/(Income) (net)		4.74	18.73
Profit available for Appropriation		3720.22	788.27
Transferred to General Reserve		530.00	1103.96
Transferred from General Reserve (On Conversion of Subsidiary Company into LLP)		287.37	184.37
Appropriation of Profit (Share of Retired Partners in LLP)		0.04	
Minority Interest (Share in LLP)		0.05	
Dividend on Equity Shares			
- Interim		392.80	0.00
- Proposed		392.92	
- Tax on Dividend		196.61	50.98
Balance of Profit/(Loss) for earlier years		(4404.75)	(5273.37)
Balance Carried to Balance Sheet		(1909.58)	(4404.75)
Significant Accounting Policies and Notes on Accounts	20		
Earning per share - Basic (in ₹) Note No xvi of Schedule 20		9.74	3.02
Earning per share - Diluted (in ₹) Note No xvi of Schedule 20		9.74	3.02

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & CO.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011

SCHEDULES

₹ in Lacs

	As at 31 March 2011		As at 31 March 2010	
SCHEDULE-1				
SHARE CAPITAL				
AUTHORISED				
63886500 Equity Shares of ₹10 each (Previous Year 65886500 Equity Shares)		6388.65		6588.65
350000 12.50% Optionally Convertible Cumulative Preference Shares of ₹100 each (Previous Year 350000 Preference Shares)		350.00		350.00
		6738.65		6938.65
ISSUED & SUBSCRIBED				
39319912 Equity Shares of ₹10 each(Previous Year 36566762 Equity Shares)		3931.99		3656.67
350000 12.50% Optionally Convertible Cumulative Preference Shares of ₹100 each (Previous Year 350000 Preference Shares)		350.00		350.00
		4281.99		4006.67
PAID UP				
39291722 Equity Shares of ₹10 each (Previous Year 36538572 Equity Shares)	3929.18		3653.86	
Add: Forfeited Shares (28190 Shares)	1.45		1.45	
	3930.63		3655.31	
Less: Calls in Arrears	1.52	3929.12	1.71	3653.60
350000 12.50% Optionally Convertible Cumulative Preference Shares of ₹100 each (Previous Year 350000 Preference Shares)		350.00		350.00
TOTAL		4279.11		4003.60

Note :- Jai Suspension Systems Ltd, subsidiary company was converted into Jai Suspension Systems LLP w.e.f. 21 October 2010. Accordingly the Authorised Capital has been reduced by ₹200.00 lacs

SCHEDULE-2

RESERVES AND SURPLUS

Capital Reserve

As per last Balance Sheet		67.55		67.55
10% Fully Convertible Warrants forfeited		150.00		150.00
Amalgamation Reserve		1481.46		1481.46
Capital Redemption Reserve	53.00		53.00	
Less Transferred to General Reserve	3.00	50.00	0.00	53.00

Share Premium

As per last Balance Sheet	12620.78		12619.35	
Add : Addition during the year	2266.02	14886.80	1.43	12620.78

General Reserve

As per last Balance Sheet	3462.21		3277.84	
Add : Transferred from Profit & Loss Account	530.00		184.37	
Add : Transferred from Capital Redemption Reserve	3.00		0.00	
Less : Transferred to Profit & Loss a/c (On Conversion of the Subsidiary Company into LLP)	287.37	3707.84	0.00	3462.21
Fully Convertible Warrants Forfeited		96.71		96.71
Carried Forward Loss from Merged Companies		(9374.36)		(9374.36)
TOTAL		11066.00		8557.35

SCHEDULES

₹ in Lacs

	As at 31 March 2011	As at 31 March 2010
SCHEDULE-3		
SECURED LOANS		
1. Working Capital Loans from Banks	0.00	1001.56
2. Term Loans from Banks & Financial Institutions	4649.53	4099.68
3. Term Loans from Clearwater Capital Partners India Pvt. Ltd.	0.00	4452.08
4. Others	53.91	78.57
TOTAL	4703.44	9631.89

NOTES:

1. Working Capital Loans are secured by:

- First pari passu charge by way of hypothecation on the current assets of the company.
- Second pari passu charge on the fixed assets and other moveable assets (other than current assets) of the Malanpur, Chennai, Jamshedpur and Yamuna Nagar Plants.
- Personal Guarantees of Mr. B. S. Jauhar, Chairman, Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.
- First pari passu charge on 15 lacs shares of the company held by Promoters/Promoters group given as collateral securities for working capital.

2. Term Loans are secured by:

ICICI Bank Ltd - Current Outstanding ₹1447.37 Lacs

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

ICICI Bank Ltd:- Current Outstanding ₹500.00 Lacs

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

IFCI Limited - Current Outstanding ₹1342.00 Lacs

- First pari passu charge on the fixed assets and other moveable assets (other than current assets) of the Chennai Plant.
- Second pari passu charge on the fixed assets and other moveable assets (other than current assets) of the Malanpur, Yamuna Nagar and Jamshedpur Plants.
- Second pari passu charge by way of hypothecation on the current assets of the company.
- Personal Guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director.

State Bank of India - Current Outstanding ₹1360.16 Lacs

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

Clearwater Capital Partners India Pvt. Limited: Term Loans were pre-paid during the year.

3. Others:

H.P. Finance of ₹53.91 lacs (previous year ₹78.57 lacs) is secured by hypothecation of specific assets.

4. Term Loans due within one year ₹1912.07 lacs (previous year ₹2954.65 lacs).

₹ in Lacs

	As at 31 March 2011	As at 31 March 2010
SCHEDULE-4		
UNSECURED LOANS		
Interest Free Sales Tax Loan	1859.71	1954.80
Tata Capital Ltd.	0.00	295.13
TOTAL	1859.71	2249.93

SCHEDULES

SCHEDULE-5 FIXED ASSETS

₹ in Lacs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31 March 2010	Addition For the year	Deduction	As at 31 March 2011	Up to 31 March 2010	Depreciation For the year	Deduction	Up to 31 March 2011	As at 31 March 2011	As at 31 March 2010
Goodwill	921.02	0.00	0.00	921.02	731.81	94.60	0.00	826.42	94.60	189.21
Land	813.08	23.17	0.00	836.25	0.00	0.00	0.00	0.00	836.25	813.08
Building	3541.21	403.62	0.00	3944.83	843.76	104.07	0.00	947.83	2997.00	2697.45
Plant & Machinery	18759.23	2870.53	253.30	21376.46	8525.39	1908.31	172.07	10261.63	11114.83	10233.84
Furniture & Fixtures	137.42	16.09	0.00	153.51	74.52	11.88	0.00	86.39	67.12	62.90
Vehicles	398.35	56.76	45.82	409.29	216.00	31.55	58.79	188.75	220.54	182.35
Office Equipment	293.02	26.77	0.18	319.60	127.58	18.18	0.13	145.63	173.98	165.43
Other Assets	214.74	50.14	0.00	264.89	42.95	52.73	0.00	95.67	169.21	171.79
Computer & Software	359.74	43.21	0.00	402.94	275.74	30.05	4.44	301.34	101.61	84.01
Total	25437.81	3490.28	299.30	28628.79	10837.75	2251.34	235.44	12853.65	15775.14	14600.06
Capital Work in Progress									4817.44	2153.68
Current Year Total	25437.81	3490.28	299.30	28628.79	10837.75	2251.34	235.44	12853.65	20592.59	16753.74
	25437.81	3490.28	299.30	28628.79	10837.75	2251.34	235.44	12853.65	20592.59	16753.74
Previous Year	19361.13	6168.74	92.06	25437.81	9267.32	1689.97	119.54	10837.75	14600.06	10093.81

Note : Capital Work in Progress includes Capital Advances

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

SCHEDULES

₹ in Lacs

	As at 31 March 2011		As at 31 March 2010	
SCHEDULE-6				
INVESTMENTS (AT COST)				
Unquoted Investments				
(a) 5249920 Equity Shares of NHK Spring India Ltd. of ₹10 each (previous year 5249920 Equity Shares of ₹10 each) at cost		525.00		525.00
		525.00		525.00
SCHEDULE-7 CURRENT ASSETS				
INVENTORIES (As certified by the Management)				
Goods in Transit		305.46		784.78
Depot Stock		221.06		0.00
Finished Goods		1808.20		1542.42
Work in Process		2312.07		2182.60
Raw Material		4524.55		2143.33
Stores including Components and Spares		1466.82		1223.16
Scrap		24.03		35.98
SUB TOTAL		10662.19		7912.27
SCHEDULE-8				
SUNDRY DEBTORS				
a. Unsecured outstanding for a period exceeding 6 months				
Considered good	423.56		399.75	
Considered doubtful	217.74		0.00	
	641.30		399.75	
Less Provision for Doubtful Debts	217.74	423.56	0.00	399.75
b. Other Debts (Considered good)		7127.51		4951.83
SUB TOTAL		7551.07		5351.58
SCHEDULE-9				
CASH AND BANK BALANCES				
Cash in Hand		18.06		58.86
Balance with Scheduled Banks in:				
a. Current Accounts		950.12		209.65
b. Fixed Deposits & Margin Money Accounts		535.61		1398.63
SUB TOTAL		1503.79		1667.14
SCHEDULE-10				
LOANS AND ADVANCES				
(Unsecured and considered good)				
Advance recoverable in cash or in kind or value to be received/or to be adjusted		686.71		1392.71
Deposits with Excise Authorities		450.36		469.17
Security Deposits		195.59		159.30
Advance Income Tax (net) (including fringe benefit tax)		536.87		493.57
MAT Credit entitlement		609.00		140.57
SUB TOTAL		2478.54		2655.32
TOTAL (Current Assets)		22195.60		17586.31

SCHEDULES

₹ in Lacs

	As at 31 March 2011		As at 31 March 2010	
SCHEDULE-11				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors		21786.75		16667.72
Other Liabilities		1423.15		1554.05
PROVISIONS				
Income Tax		915.40		124.13
Wealth Tax		1.77		0.77
Tax on Dividend		63.74		0.00
Proposed Dividend on Equity Shares		392.92		0.00
Gratuity		75.97		100.84
Leave Encashment		139.41		105.46
TOTAL		24799.11		18552.97
SCHEDULE-12				
DEFERRED REVENUE EXPENDITURE				
Opening Balance	2712.00		2789.95	
Add: Incurred during the year	0.00	2712.00	1425.40	4215.35
Less: Written off during the year	971.71	971.71	1503.35	1503.35
Closing Balance		1740.29		2712.00

SCHEDULES

₹ in Lacs

	For the Year ended 31 March 2011		For the Year ended 31 March 2010	
SCHEDULE-13				
GROSS SALES				
Domestic	98833.77		65610.19	
Export	964.85		538.05	
Total Sales	99798.61		66148.24	
Less: Excise Duty	9473.11	90325.50	4841.91	61306.34
TOTAL		90325.50		61306.34
SCHEDULE-14				
OTHER INCOME				
Interest Income		131.02		119.84
Miscellaneous Income		21.10		135.31
Exchange Fluctuation		0.00		1.22
Export Incentives		11.41		1.41
Sale of Scrap (Non-Operational)		8.38		10.54
Profit on Sale of Investments		0.05		0.00
Profit on Sale of Assets		1.75		0.15
Sundry Balances Written Off		0.43		0.00
TOTAL		174.14		268.47
SCHEDULE-15				
INCREASE/DECREASE IN STOCK				
CLOSING STOCK				
Finished Goods	1808.20		1542.42	
Work in Process	2312.07		2182.60	
Scrap	24.03	4144.30	35.98	3761.00
LESS:OPENING STOCK				
Finished Goods	1542.42		1208.66	
Work in Process	2182.60		2918.31	
Scrap	35.98	3761.00	38.02	4165.00
Increase/(Decrease)		383.30		(403.99)
SCHEDULE-16				
MATERIAL, MANUFACTURING & OPERATING EXPENSES				
a. Raw Material Consumption				
Opening Stock	2143.33		1062.60	
Add: Purchases	59406.47		39302.21	
	61549.80		40364.81	
Less: Closing Stock	4524.55	57025.25	2143.33	38221.48
b. Manufacturing Expenses				
Stores, Components & Spares consumed	7140.64		4544.87	
Power & Fuel	5614.25		3107.33	
Machinery Repairs	695.33		398.13	
Job Charges	411.70	13861.93	108.78	8159.11
TOTAL		70887.18		46380.59

SCHEDULES

₹ in Lacs

	For the Year ended 31 March 2011		For the Year ended 31 March 2010	
SCHEDULE-17				
PAYMENT TO AND PROVISIONS FOR EMPLOYEES				
Salaries, Wages, Bonus and Gratuity		3909.69		2706.86
Contribution to Provident and other Funds		216.87		158.21
Employees Welfare Expenses		219.63		158.98
TOTAL		4346.19		3024.05
SCHEDULE-18				
SELLING AND ADMINISTRATIVE EXPENSES				
Selling and Distribution Expenses				
Sales Promotion and Advertisement	390.13		272.41	
Discount and Rebates	698.78		890.05	
Freight, Forwarding & Packing	2138.79	3227.70	1634.83	2797.29
Administrative and Other Expenses				
Insurance	28.43		19.40	
Rent, Rates & Taxes	144.85		107.00	
Vehicle Running & Maintenance	37.86		21.94	
Building Repairs	39.65		18.20	
Repairs & Maintenance Others	96.65		74.88	
Travelling and Conveyance	251.39		192.29	
Postage, Telegram & Telephone Expenses	58.71		51.94	
Printing & Stationery	42.39		35.18	
Subscription	4.18		3.37	
Charity & Donation	1.07		5.99	
Professional Consultancy	292.13		286.23	
General Expenses	149.89		90.32	
Sundry Balances Written Off	0.00		26.30	
Sales Tax Paid Non Recoverable	10.13		0.00	
Recruitment Expenses	3.79		1.00	
Loss on Sale of Assets	47.34		23.48	
Exchange Fluctuation Loss	39.79		0.00	
Bad Debts Written Off	94.14		0.00	
Provision for Doubtful Debts	217.74		0.00	
SAP Expenses	21.09	1581.21	18.83	976.35
Auditors Remuneration				
Audit Fee	14.11		9.90	
Certification Fee	4.62	18.72	2.80	12.70
TOTAL		4827.64		3786.35
SCHEDULE-19				
FINANCIAL EXPENSES				
Interest on Term Loans		709.22		801.05
Interest on Working Capital		307.44		760.16
Bill Discounting Charges		410.24		357.76
Bank Charges		721.39		698.35
TOTAL		2148.29		2617.33

SCHEDULE 20 ACCOUNTING CONVENTIONS AND NOTES ON ACCOUNTS

1 Significant Accounting Policies

a. Basis of Accounting

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

b. List of Subsidiary Entities	Country of Incorporation	Percentage of Shareholding/Voting Power
Jai Suspension Systems LLP	India	99.9975%
*Jai Suspension Systems Ltd	India	100%

* (Jai Suspension Systems Ltd was converted into Jai Suspension Systems LLP w.e.f. 21 October 2010, Hence it has ceased to exist as a separate entity)

c. Basis of Preparation/Accounting

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

d. Principal of Consolidation

- The Consolidated Balance Sheet, Profit & Loss Account, Cash Flow Statement comprises the Balance Sheets, Profit & Loss Accounts and Cash Flow Statements of Jamna Auto Industries Limited and Jai Suspension Systems Ltd/Jai Suspension Systems LLP and have been combined on a line by line basis by adding together the book value of the items of assets, liabilities, income and expenditure after fully eliminating intra – group transactions resulting in unrealized profit or loss.
- In the consolidated Profit & Loss Account, the company has consolidated the figures of the Profit & Loss Account of Jai Suspension Systems Ltd which was converted into LLP w.e.f. 21 October 2010 vide order of Registrar of LLP, Delhi vide LLP Identity No. AAA – 2552 dated 21 October 2010, wherein the company held 99.995% capital on the date of conversion and was named as “JAI SUSPENSION SYSYEMS LLP” on its conversion. The Profit & Loss Account before elimination of the intra group transactions on the date of conversion is as under, which has been consolidated on line by line basis in the Consolidated Profit & Loss Account after elimination of Intra Group transactions.

Profit & Loss Account for the Period 1 April 2010 to 20 October 2010 of Jai Suspensions Systems Limited

Amount in ₹

Description	Period ended 20 October 2010		Year ended 31 March 2010	
INCOME				
Sales	739254619.63		1137020645.05	
Other Income	550741.78	739805361.41	892732.02	1137913377.07
Increase/(Decrease) in stock		55668608.91		30900799.25
TOTAL		795473970.32		1168814176.32
EXPENDITURE				
Purchase of Trading Goods & Direct Expenses	7491949.98		23965128.64	
Material, Manufacturing and Operating Expenses	545925973.08		733392362.63	
Payment to and Provision for Employees	24734651.45		35841997.01	
Selling & Administrative Expenses	68839748.12	646992322.63	258197122.23	1051396610.51
Profit before Depreciation, Interest & Tax		148481647.69		117417565.81
Financial Expenses		4819872.93		8206348.26
Profit before Depreciation		143661774.76		109211217.55
Depreciation		2019515.18		2795478.10
Profit after Depreciation		141642259.58		106415739.45
Preliminary/Deferred Revenue Expenses Write Off		0.00		45000000.00
Profit before Tax		141642259.58		61415739.45
Provision for Income Tax		28800000.00		10704800.00
MAT Credit Entitlement		14057065.00		(9798927.00)
Interest on Income Tax F. Y. 2009-10		47826.00		0.00
Provision for Deferred Tax		(1631086.00)		(1429588.00)
Profit after Tax		100368454.58		61939454.45
Add/Deduct Prior Year Expenses/Income (Net)		1310973.48		(432319.00)
Profit Available for Appropriation		99057481.10		62371773.45
Balance of Profit/Loss for Earlier Years		47355431.76		38517218.29
Balance Carried To Balance Sheet		146412912.86		100888991.74
Transferred to General Reserve		10000000.00		18436814.98
Interim Dividend		80000000.00		29998500.00
Dividend Distribution Tax Paid		13287000.00		5098245.00
Balance		43125912.86		47355431.76

2. NOTES TO ACCOUNTS

i. Contingent Liabilities not provided for in respect of

₹ in Lacs

	As at 31 March 2011	As at 31 March 2010
a. Demands against the company not acknowledged as debts	49.42	92.56
b. Claim pending against the company not acknowledged as debts	116.45	68.36
c. Import of machineries under EPCG Scheme	288.32	280.58
d. Bank Guarantees	6.50	6.50

ii. Capital commitments outstanding (net of advances) and not provided for ₹1638.05 lacs (previous year ₹301.93 lacs).

iii. Managerial Remuneration

₹ in Lacs

	For the Year ended on 31 March 2011	For the Year ended on 31 March 2010
a. Remuneration	290.50	248.19
b. Provident Fund	19.27	18.81
c. Perquisites	19.44	5.17

iv. Payment to Statutory Auditors

₹ in Lacs

	For the Year ended on 31 March 2011	For the Year ended on 31 March 2010
a. Audit Fee	14.11	9.90
b. Certification Fee	4.62	2.74
TOTAL	18.72	12.70

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

vi. Fixed Deposits with banks are pledged against Letter of Credit and Guarantees by the company.

vii. The company has changed the method of valuation of inventories as compared to the method as adopted by the company in earlier years. The company has valued the stock by considering weighted average purchase price on the basis of rolling average due to wide fluctuation in purchase price, whereas, earlier Inventory had been valued by considering the weighted average price of goods for the entire period of relevant financial year. As a result of such change, value of inventory has increased by ₹393.78 lacs and accordingly the profit for the period is higher with the similar amount.

viii. Deferred Revenue Expenditure has been amortised over a period of five years. A sum of ₹971.71 lacs has been amortised for the current year. However, from the current financial year, the company has not allocated any sum towards Deferred Revenue Expenditure on account of sample development expenses (previous year ₹1425.40 lacs including depreciation of ₹255.40 lacs). If the company had continued the same practice, profit for the year would have been higher by ₹1158.40 Lacs and the Deferred Revenue Expenses in the Balance Sheet would have been higher by the same amount.

ix. Balances of some parties are subject to confirmation/reconciliations.

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

xi. The company operates in a single business segment i.e. manufacturing of Parabolic/Tapered leaf Spring and has its production facilities and all other assets in India. During the year domestic segment revenue (Gross) was ₹98833.77 lacs (previous year ₹65610.19 lacs) and international segment revenue (Gross) was ₹964.85 lacs (previous year ₹538.05 lacs).

xii. Employees Benefit

The liability of employee gratuity benefit has been determined by an Actuary, appointed for the purpose, in conformity with the principles set out in the AS-15 (revised). The details of which are as under:

Assets / Liability	31 March 2011
a. Present value of obligation	₹218.89 lacs
b. Fair value of plan assets	0.00
c. Net assets / (liability) recognized in Balance Sheet as provision	₹(218.89) lacs

Summary of membership data

As at	31 March 2011
a. Number of employees	837
b. Total Monthly Salary (Lacs)	₹32.03
c. Average Past Service (Years)	7.86
d. Average Age (Years)	37.26
e. Average remaining working life (Years)	20.74

Actuarial Assumptions

a) Economic Assumptions

The principle assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

	31 March 2011
a. Discounting Rate %	8.00
b. Future salary Increase %	5.50
c. Expected Rate of return on plan assets %	0.00

b) Demographic Assumption

a. Retirement Age (Years)	58
b. Mortality Table	LIC (1994 - 96)
c. Ages	Withdrawal Rate (%)
Up to 30 Years	3.00
From 31 to 44 years	2.00
Above 44 years	1.00

Actuarial Method

- The actuary has used the projected unit credit (PUC) actuarial method to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).
- Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Scale of Benefits

a. Salary for calculation of gratuity	Last drawn basic salary plus dearness allowance.
b. Vesting Period	5 years of service.
c. Benefit on normal retirement	As per the provisions of payment of Gratuity Act, 1972 as amended.
d. Benefit on early retirement / withdrawal / resignation	Same as normal retirement benefit based on service upto the date of exit.
e. Benefit on death in service	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.
f. Limit	₹10.00 Lacs.



Actuarial Value

Present value of Gratuity obligation as at the end of period (31 March 2011)	₹218.89 lacs
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Leave encashment is accounted on the basis of actual leaves outstanding to the credit of respective employees at the end of the financial year as per the company's policy.

Note:

In Malanpur unit fund value as per the records of LIC is ₹150.28 lacs. Since as per actuarial valuation total obligation of ₹142.92 lacs is less than fund value with LIC, no provision for gratuity has been made during the year in Malanpur unit.

- xiii. As required by the AS-28, Impairment of Assets, the company has reviewed potential generation of economic benefits from fixed assets. Accordingly, the provision for impairment loss amounting to ₹ Nil (Previous year ₹17.01 lacs) has been made during the year.

xiv. Related party disclosures

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

Key Management Personnel and their relatives

- Mr. B. S. Jauhar (Chairman)
- Mr. R. S. Jauhar (CEO & Executive Director)
- Mr. P. S. Jauhar (COO & Executive Director)
- Mr. S. P. S. Kohli (President & Executive Director)
- Mrs. Khem Kaur (W/o Mr. B. S. Jauhar)
- Mrs. Sonia Jauhar (W/o Mr. R. S. Jauhar)
- Mrs. Kiran Chadha (Relative of Mr. B. S. Jauhar, Mr. R. S. Jauhar & Mr. P. S. Jauhar)

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

- Jamna Agro Implements Pvt. Ltd. (Mrs. Khem Kaur/ Mrs. Kiran Chadha)
- S.W. Farms Pvt. Ltd. (Mrs. Sonia Jauhar/ Mr. R. S. Jauhar)
- MAP Auto Ltd. (Mr. B. S. Jauhar/ Mr. R. S. Jauhar/ Mr. P. S. Jauhar)
- Winthrop Marketing (Relative of Mr. S. P. S. Kohli)

Transactions with key management personnel / relatives of key management personnel

₹ in Lacs

Name	Nature of Transaction	Volume of transactions during the year ended on 31 March 2011	Receivable / (Payable) as at 31 March 2011
1. Mr. B. S. Jauhar	Remuneration	81.94	0.00
2. Mr. R. S. Jauhar	Remuneration	97.56	0.00
3. Mr. P. S. Jauhar	Remuneration	91.91	0.00
4. Mrs. Kiran Chadha	Remuneration	18.59	0.00
5. Mr. S. P. S. Kohli	Remuneration	57.80	0.00
6. S.W. Farms Pvt. Ltd.	Rent	14.40	0.00
7. Mrs. Sonia Jauhar	Rent	10.00	0.00
8. Mr. P. S. Jauhar	Rent	12.00	0.00
9. Jamna Agro Implements Pvt. Ltd.	Job Work	95.51	(18.94)
10. MAP Auto Ltd.	Logistic Services	1083.97	(134.16)
11. MAP Auto Ltd.	Rent	2.66	2.53
12. Winthrop Marketing	Commission	11.32	(0.95)
13. MAP Auto Ltd.	Service Charges	311.95	(61.87)
14. MAP Auto Ltd.	Transfer of Assets/Liability	2.26	0.00

Note: Above information include the transaction made by Jai Suspension Systems Ltd. with the related parties for the period 1 April 2010 to 20 October 2010, before being converted into LLP with effect from 21 October 2010.

xv. The major components of deferred tax liabilities as on 31 March 2011 and 31 March 2010 are as under

₹ in Lacs

Particulars	As at 31 March 2011	For the year ended on 31 March 2011	As at 31 March 2010
Deferred Tax Liability is on account of the following			
Depreciation claimed	1535.83	(429.91)	1965.74
Deferred Revenue Expenditure	578.08	(343.73)	921.81
Less : Deferred Tax Assets			
Carry forward losses	1858.29	(2043.20)	3901.49
TOTAL	255.62	1269.56	(1013.94)

xvi. **Earning Per Share (EPS)**

	Year ended on 31 March 2011	Year ended on 31 March 2010
a. Calculation of Weighted Average Number of Equity Shares of ₹10 each		
Number of Shares at the beginning of the period	36538572	36532047
Number of Shares at the close of the period	39291722	36538572
Weighted Average Number of Equity Shares during the period	38196363	36532977
b. Net Profit for the period attributable to Equity Shares (₹ in lacs)	3720.22	1910.96
c. Basic Earnings (in ₹) per share	9.742	3.02
d. Diluted Earning (in ₹) per share	9.74	3.02

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

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & CO.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011



CONSOLIDATED CASH FLOW STATEMENT

₹ in Lacs

Particulars	Year ended 31 March 2011	Year ended 31 March 2010
A Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extra Ordinary Items	4920.64	2276.09
Adjusted for :		
Depreciation	2251.34	1434.57
Net Loss/(Profit) on sale of Investment	(0.05)	0.00
Net Loss/(Profit) on sale of Assets	45.59	23.33
Interest Paid	2148.29	2617.33
Misc. expenditure written off	971.71	1503.35
Operating Profit before Working Capital Change	10337.52	7854.67
Adjusted for :		
Inventories	(2749.92)	(1444.19)
Trade Receivables	(2199.49)	573.79
Other Receivables	176.78	(994.75)
Trade Payables	5119.03	5885.50
Other Payables	1127.12	(125.73)
Cash Generated from Operations	11811.04	11749.29
Less : Interest Paid	2148.29	2617.33
Provision for Tax	627.50	9.83
Income Tax Paid	25.17	18.73
Dividend Tax Paid	0.00	50.98
Dividend Paid	392.80	0.00
Proposed Dividend	392.92	0.00
Previous Year Expenses	4.74	788.27
Net Cash Generated from Operations	8219.62	8264.15
B Cash Flow from Investing Activities		
Additions in Fixed Assets	(6154.05)	(2722.35)
Deferred Revenue Expenditure	0.00	(1425.40)
Depreciation included in Deferred Revenue	0.00	255.40
Disposal of Fixed Assets	18.27	(50.81)
Net Cash Flow from Investing Activities	(6135.77)	(3943.16)
C Cash Flow from Financing Activities		
Net Increase in Share Capital	275.45	0.68
Share Premium	2266.02	1.44
Change in other Reserves & Surplus	530.00	184.37
Net Increase in Borrowings	(5318.67)	(4236.32)
Net Cash from Financing Activities	(2247.20)	(4049.84)
Net Change in Cash & Cash Equivalents	(163.34)	271.17
Cash & Cash Equivalents Closing Balance	1503.80	1667.14
Cash & Cash Equivalents Opening Balance	1667.14	1395.97

For and on behalf of the Board of Directors

PRAVEEN LAKHERA

Company Secretary & Head Legal

SHAKTI GOYAL

General Manager - Finance

P. S. JAUHAR

COO & Executive Director

R. S. JAUHAR

CEO & Executive Director

As per our report of even date attached

For **A.S.G. & ASSOCIATES**

Chartered Accountants

FR No - 000389N

GOEL GARG & Co.

Chartered Accountants

FR No - 000397N

A. K. KALIA & ASSOCIATES

Chartered Accountants

FR No - 0006949N

AMAR JEET SINGH

Partner

M No - 089285

S. C. GARG

Partner

M No - 13370

ANIL K. KALIA

Proprietor

M No - 085672

Place : New Delhi

Date : 11 July 2011

NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the members of the company will be held on Wednesday, the 31 day of August 2011 at 11:30 a.m. at the Registered Office of the company at Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana to transact the following businesses:

AS ORDINARY BUSINESS:

Item No. 1

To receive, consider and adopt the Audited Balance Sheet of the company as at 31 March 2011 and Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

Item No. 2

To declare dividend on equity shares.

Item No. 3

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

Item No. 4

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

Item No. 5

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

Item No. 6

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

“RESOLVED THAT M/s B S R & Co; Chartered Accountants, be and is hereby appointed as statutory auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting on such remuneration as may be decided by the Board of Directors or Committee thereof exclusive of traveling and other out of pocket expenses.”

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND

AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING. PROXY SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/ AUTHORITY, AS APPLICABLE. A BLANK PROXY FORM IS ENCLOSED.

2. The relevant details, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under item Nos. 3, 4 and 5 of the Notice, are annexed thereto.
3. The present statutory auditors of the company i.e. M/s A S G & Associates, Chartered Accountants, M/s Goel Garg & Company, Chartered Accountants and M/s A K Kalia & Associates, Chartered Accountants have expressed their un-willingness to be re-appointed at the Annual General Meeting. In place of present auditors, the Board recommends to appoint M/s B S R & Co; Chartered Accountants as statutory auditors of the company for the financial year ending 31 March 2012.
4. The Register of Members and Share Transfer Books of the company will remain closed from Monday, 22 August 2011 to Thursday, 25 August 2011 (both the days inclusive).
5. Members are requested to:
 - a. Intimate any change in their address to the Registrar and Share Transfer Agents i.e Skyline Financial Services Pvt. Ltd. located at D-153 A, First Floor, Okhla Industrial Area, Phase – I, New Delhi - 110020.
 - b. Please quote folio no./client ID, DP ID number in all the correspondence.
 - c. Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.
6. Members holding shares in physical form are, in their own interest, requested to dematerialize the shares to avail the benefits of electronic holding/ trading.
7. As a measure of austerity copies of the annual report will not be distributed at the meeting, Members/Proxies are therefore, requested to bring their copy of the annual report.



8. The company has declared Interim dividend during the Financial Year 2010-11. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, last date for claiming the interim dividend is 1 March 2018. The shareholders are advised to send the un-encashed dividend warrants to the RTA for revalidation or issuance of Demand Draft in lieu thereof and encash them before 'the due dates for transfer to the Investor Education and Protection Fund.'
9. Members desiring any information, as regards the Annual Report, are requested to write to the company's corporate office at New Delhi at least ten days before the date of the Annual General Meeting so that information can be made available at the meeting.
10. Pursuant to the steps taken by the Ministry of Corporate Affairs towards 'Green Initiative in Corporate Governance' vide its circular no. 18/2011 dated 29.04.2011, Members are requested to register their e-mail addresses through their Depository Participant where they are holding their Demat Accounts for receiving the Balance Sheet, Auditors Report etc by e-mail. Members holding the shares in physical form may register their e-mail addresses through RTA, giving reference of their Folio Number.

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

Date: 11 July, 2011
Place: New Delhi

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Mr. Bhupinder Singh Jauhar	Mr. Shashi Bansal	Seth Ashok Kumar
Date of Birth	25.12.1933	21.08.1946	23.01.1937
Date of initial appointment	30.09.1965	30.07.2008	28.01.2008
Qualification	Matriculation	B. E.	B.Com (Hons), Post Graduate Diploma in Business Management
Experience in specific functional areas	Mr. Bhupinder Singh Jauhar is the founder of Jamna Auto Industries Limited. He is the Chairman of the Board of Directors of the company and has wide experience of more than 55 years in engineering and auto component industry, especially in the area of automobile suspension system.	Mr. Shashi Bhushan Bansal is Bachelor of Engineering and has more than 40 years of experience at various positions	Seth Ashok Kumar is the chairman of Indo Continental Hotels and Resorts Ltd. He has 50 years of experience in promoting and managing industrial and commerce enterprises.
Chairmanships/Directors of other public companies as per Clause 49 of the listing agreement	-	-	Indo Continental Hotels & Resorts Ltd. (Chairman) Parsvnath Developers Ltd. Adayar Gate Hotel Ltd.
Chairmanships / Memberships of committees of other public companies as per Clause 49 of the listing agreement	-	-	Audit Committee Adayar Gate Hotel Ltd. (Chairman) Parsvnath Developers Ltd. Shareholders Grievance Committee Parsvnath Developers Ltd. (Chairman)
Number of shares held in the company	607502	Nil	5250

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Cautionary statement

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



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