

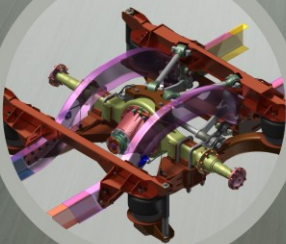


Jamna Auto Industries Limited

Annual Report 2013-14



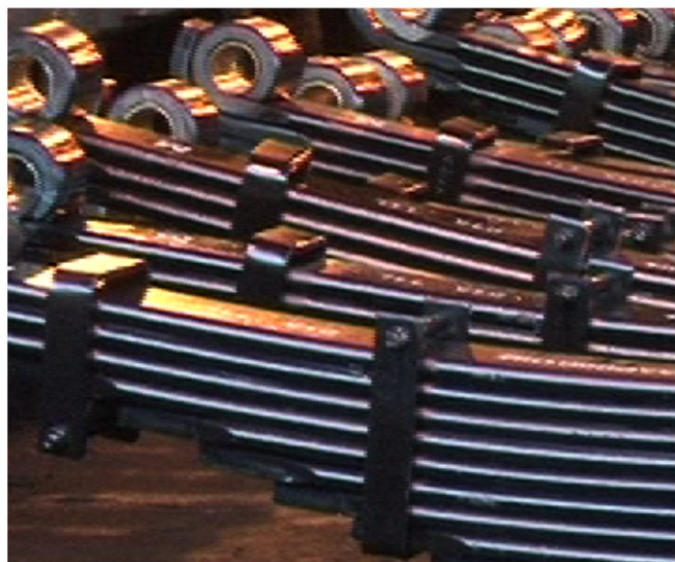
FULLY LOADED



...ready to go

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About Us

Jamna Auto Industries (JAI) Limited is India's market leader in automotive suspension solutions. We are today, the only Indian company to provide the complete range of automotive suspension solutions for Commercial Vehicles (CVs).

Having attained leadership in conventional spring suspension products in our home market, we are fast expanding in new technology products in India and across the world.

At JAI, we are...

Fully loaded

- ... world-class products
- ... state-of-the-art facilities
- ... global scale
- ... well-developed R&D capability
- ... tie-ups with global technology majors
- ... marquee clients
- ... experienced management team

Ready to go

- ... new products
- ... new markets
- ... leaner metrics



**Steadily moving towards achieving our goal of becoming
a global leader in Automobile Suspension Solutions**

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. Hardeep Singh Gujral

Executive Director

Mr. Pierre Jean Everaert

Nominee-Clearwater Capital Partners (Cyprus) Ltd

Mr. Karthik Athreya

(Alternate Director to Dr. Pierre Jean Everaert)

Mr. Jainendar Kumar Jain

Director

Mr. Chander Kailash Vohra

Director

Mr. Uma Kant Singhal

Director

Seth Ashok Kumar

Director

Mr. Shashi Bansal

Director

Mr. V. Subramanian

Nominee Director- IFCI Ltd

Management Team



Mr. Randeep Singh Jauhar
CEO & Executive Director



Mr. Pradeep Singh Jauhar
COO & Executive Director



Mr. Hardeep Singh Gujral
Executive Director



Mr. Vivek Bhatia
Associate President
(Finance & Legal) & CFO



Mr. Sunil Laroia
Vice President - International
Business and Head (R&D)



Mr. Madhukar Sharma
Global Head
(After Market)



Mr. A K Goyal
Vice President and Head
of Malanpur Plant



Mr. A R Nanjanath
Unit Head-Hosur
& Chennai



Mr. Sudhanshu Kulshrestha
DGM (Head of OEM
Marketing)



Mr. Jagdish Adhlakha
Unit Head Yamuna Nagar
and Jamshedpur Plant



Mr. Ravindra Chaudhari
Group HR Head



Mr. J.J. Mohan
GM-Quality



Mr. Sudheer Chandele
DGM - Manufacturing
Jamshedpur Plant

ADVISORS AND SOLICITORS

AZB & Partners
Lakshmikumaran & Sridharan

TECHNICAL ASSISTANCE

Ridewell Corporation, USA

BANKERS

State Bank of India
ICICI Bank
Kotak Mahindra Bank
Standard Chartered Bank
Lakshmi Vilas Bank
HDFC Bank
SBER Bank

AUDITORS

S.R. Batliboi & Co; LLP
Chartered Accountants

SHARE REGISTRAR & TRANSFER AGENT (RTA)

Skyline Financial Services (P) Ltd
D-153 A, First Floor, Okhla Industrial Area, Phase – I,
New Delhi-110 020
Ph. no. 011-26812682, 26812683
Fax no. 011-26292681
Email: grievances@skylinerta.com

INVESTOR CELL

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

CORPORATE OFFICE

2, Park Lane, Kishangarh, Vasant Kunj,
New Delhi-110 070, India
Ph. no. 011-26893331, 26896960
Fax no. 011-26893180

PLANTS

- i) Jai Springs Road, Industrial Area,
Yamuna Nagar – 135 001, Haryana
- ii) U-27-29, Industrial Area, Malanpur,
District Bhind– 477 116, M.P.
- iii) Plot no. 22-25, Sengundram Village,
Maraimalainagar Industrial Complex, Singaperumal Koil Post,
District Kanchipuram - 603 204, Tamil Nadu
- iv) 262 - 263, Village Karnidih, Chandil,
District Saraikella, Kharswan - 832 401, Jharkhand
- v) Thally Road, Kalugondapalli Post,
Hosur, District Krishnagiri - 635 114, Tamil Nadu

UNDER SUBSIDIARY ENTITY**JAI SUSPENSION SYSTEMS LLP**

Plot no. 50A, Sector-11, I.I.E., Pant Nagar,
District Udham Singh Nagar - 263 153, Uttarakhand

REGISTERED OFFICE

Jai Springs Road, Industrial Area,
Yamuna Nagar - 135 001
Ph. & Fax no. 01732-251810/11/14
CIN L35911HR1965PLC004485

Chairman's Letter



Bhupinder Singh Jauhar
Chairman

Dear Shareholders

The year gone by was a challenging but successful year. Jamna Auto Industries (JAI) is India's largest and the world's third largest manufacturer of springs. We hold a 57% volume share of the domestic Original Equipment Manufacturers (OEMs) market. Our goal is to be a global leader in Automobile Suspension Solutions. To do this, we intend to carry on expanding our domestic base, while simultaneously accelerating growth in new markets and new products. This year too, on account of difficult macro-economic and sectoral conditions in the Indian market, the domestic Commercial Vehicle (CV) segment registered a decline in the OEM segment. However, both of our new growth drivers - new markets and new products - were able to create growth.

For the upcoming year, we have set aggressive targets in both expansion areas - internally coded 'Lakshya 33' - we aim to achieve 33% revenue from new markets and new products. To this end, during FY14, we made concerted marketing efforts and forged ahead with the reorganization of manufacturing plants to ensure dedicated lines for both the after-sales and exports markets. These initiatives have resulted in quicker market response time and scalability. As a consequence, revenue from new markets (i.e. after market and exports) grew to 21% as compared to 16% in FY13. Furthermore, in new products (parabolic springs, air suspension and lift axle), we have successfully garnered 90% of the domestic OEM market share in parabolic springs, and are moving ahead with supplies of air suspension and lift axle, which were introduced last year.

Expansion in the after-market and in exports has multiple advantages: it opens up new avenues for scalable growth, mitigates the risks our business faces from cyclical lows in the Indian CV segment, leads to improvement in working capital cycle due to more favorable business terms, and gives us a forex advantage.

New products drive growth and provide scope to move up the value chain, thereby improving profitability. Over the past few years, we have launched a range of new products that benefit from technology transfer from leading global players such as NHK Spring (Japan) and Ridewell Corporation (USA). We see growing demand for these new-generation products in India and across the region as these products offer clear advantages in reducing wear and tear of the vehicle and in improving efficiency and driver comfort. We are already supplying these products to major global OEMs to meet their Indian requirements. With the help of our internal research and development (R&D), we plan to build on this base to develop India as a hub for suspension products for global players abroad.

To drive sustainable growth and help achieve our vision of global leadership in Suspension Automation Solutions we have set aggressive targets for our internal **"Lakshya 33"** aiming for:

Innovation - 33% revenue from new products and 33% revenue from new markets

Efficiency - 33% Break-even point

Returns - 33% ROCE

Rewarding Shareholders - 33% Dividend payout

We are well geared and fully committed to ensure that we reach this destination.

It is, of course, imperative to see growth in our core domestic OEM business. The CV market in India during the year declined with a 20.23% drop in volumes to almost the same levels that were seen way back in 2009. This drop had an obvious effect on our performance. While we were able to insulate to an extent the fall in our volumes, we were hit by a 14.9% fall in revenue at Rs 834 crore compared to Rs 980 crore in FY13, and by a 50.1% fall in consolidated PAT to Rs 14 crore in FY14 from Rs 28 crore in FY13.

However, with a stable government taking charge at the Centre, there are strong expectations of a rapid revival. CV sector experts foresee a pick-up in CV volumes from FY15 onwards. FY13 and FY14 were years of adjustment – when the country's on-road truck capacity grew slower than the GDP as fleet operators tried to align their capacities to demand. After two years of adjustment, experts envisage that CV volumes will grow in tandem with the GDP.

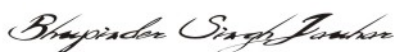
Our 'Lakshya 33' also plans to reduce break-even to 33% of capacity; to improve ROCE to 33%; and to work towards rewarding the loyalty of our esteemed shareholders with a dividend payout ratio of 33%. During FY14, we have reduced break even point. We also announced a dividend of Re.1 for each equity share with a face value of Rs 10. This leads to our dividend payout ratio standing at our target of 33%, despite it being a challenging year.

The year also saw us reduce short-term debt liability by repaying Rs 57.7 crore to our lenders and convert short-term debt liabilities to long-term with a direct bearing on improving our liquidity. Our debt-equity ratio improved to 0.48 in FY14 from 0.70 in FY13. Going forward, we intend to reduce our debt cost by replacing existing debt with more economical debt. Our strong measures for cost control and reduction in debt have helped strengthen our balance sheet. In recognition of this improved performance, ICRA upgraded our credit rating to BBB- (two notches) within the year.

As we move forward, we remain focused on driving growth and development for the company and the community in which we exist. At JAI, corporate social responsibility is ingrained in our being. We are already compliant with the new Companies Act CSR requirements and have been preserving to do our bit in our four areas of focus: Environment, Education, Sports and Community Outreach.

Before I end, I would like to thank our employees who have made a significant contribution to our success. I would also like to thank our customers, collaborators, bankers, FIs, suppliers, business partners and shareholders for their continued support and confidence in our company.

Yours sincerely,



Bhupinder Singh Jauhar
Chairman

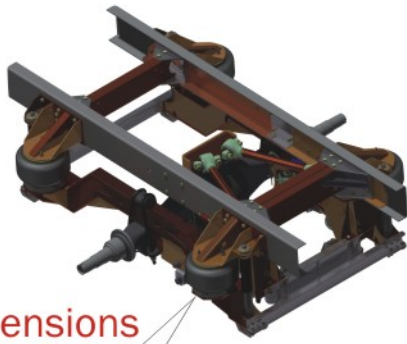
Smooth rides @ maximum loads

In 1954, when JAI began its journey from a small shop in Yamuna Nagar, Haryana, the resolve was clear: to focus on developing and manufacturing world-class products that not only enhance commercial vehicle load bearing capacity but also improve efficiency and give a smooth ride. Sixty years on, we are well on our way towards our goal of global leadership in automobile suspension solutions spurred by...

...World class products

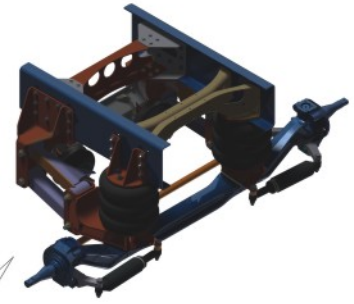
- JAI is India's largest, and the world's third largest, manufacturer of tapered leaf and parabolic springs.
- It was the first to introduce parabolic springs in India.
- It is fast-expanding its presence in new-generation products, like air suspension and lift axle.





Air suspensions

Air suspensions are standard fitments in commercial vehicles in developed markets. They offer reduced wear and tear, greater driver comfort and better handling. JAI launched its air suspension in FY13 and has begun supplying to leading players like SML Isuzu Limited.



Lift Axles

Lift Axles allow more weight to be carried by providing larger contact surface with the road for the distribution of weight. JAI introduced Lift Axles into India in 2013 and is already supplying this product to Ashok Leyland.



Tapered Leaf Spring

JAI manufactures a comprehensive range of Multileaf Springs ranging from 3 Kg to 200 Kg. Our latest technology not only improves the life of the product but also ensures a high level of consistency in each product.



Parabolic Spring

Parabolic technology reduces the weight of the springs, improves the ride comfort and gives much better vehicle life. JAI has 90% share in the Indian OEM market for Parabolic Springs.



...Strategically located state-of-the-art facilities

Our six manufacturing plants across the country are strategically located near key auto hubs to provide proximity to customers.

1 These give us the capability of manufacturing the widest range of quality springs at short notice

2 The expansion of our largest facility at Malanpur is on-stream and all our springs are made according to vehicle standards and stringent norms laid down by various automobile bodies

3 All our critical processes are fully-automated. These include Parabolic Rolling Line, Heat Treatment and Stress Shot Peening among others. It not only improves products quality and consistency but also reduce development time.



Jamshedpur Plant



Hosur Plant





Chennai Plant



Yamuna Nagar Plant



Malanpur Plant

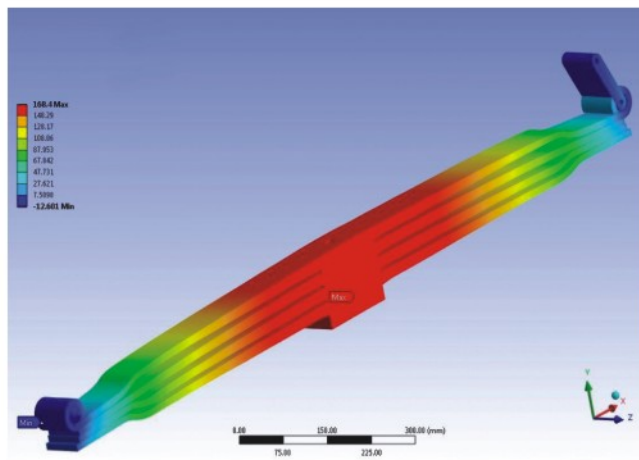
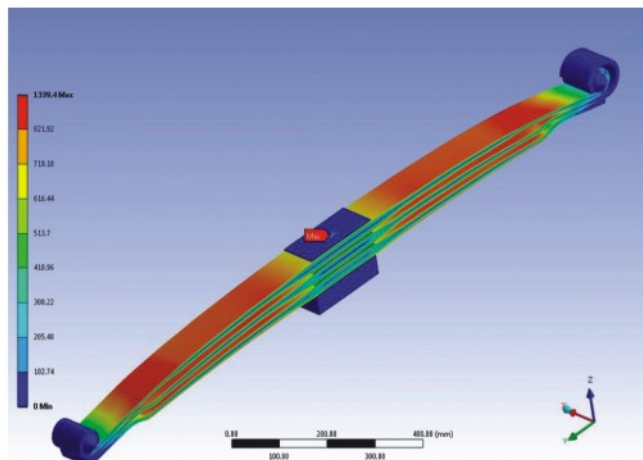
...and focus on technology

At JAI, we have continuously invested in technology to remain ahead of the curve. Our research and development (R&D) team is capable of delivering customized products. We have more than 60 copyrights on designs for Tapered Leaf and Parabolic Springs and have filed a patent application for the Indian patent for Air Suspension. Suspension technology for Parabolic Springs and Air Suspension has been absorbed.

Our R&D centre gives us an edge in the market in terms of better innovation, productivity, efficiency and reduced development time.

R&D Visuals

- JAI was the first to Introduce Parabolic Springs on Indian Roads
- It was the first to Start Leaf Spring Design Centre in India to focus on increased life expectancy of Leaf Springs under different stress amplitudes
- Our in-house R&D Centre is recognized by the Department of Scientific & Industrial Research (DSIR), India
- We have designed and developed Springs for General Motors, USA, Navistar International Trucks, USA and Ford, Europe for their various applications
- We are fuelling further product diversification through design and development of Lift Axle and Air Suspension
- The new technology has yielded considerable improvement in the quality and productivity of the new product range developed for overseas customers
- The technology imported from Ridewell Corporation, USA for design and manufacturing of Air Suspension and Lift Axles has partially been absorbed



...Marquee clients

JAI is a market leader with 57% market share in the Indian OEM segment and is increasing global presence. The company is already a preferred partner to all major players.

Domestic Customers

 AMW THE GLOBAL TRUCK	 Ashok Leyland	 BHARATBENZ	 FORCE MOTORS	 KAMAZ MOTORS
	 MAN	 NISSAN ASHOK LEYLAND INDIAN JOINT VENTURE	 RENAULT NISSAN	 SML ISUZU
 TATA	 VOLVO	 VE COMMERCIAL VEHICLES A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE		

International Customers

		 ISUZU Your responsible partner	 UD TRUCKS
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Emerging as preferred partner

JAI is the single-source supplier to Daimler India Commercial Vehicles Pvt. Ltd. (subsidiary of Daimler AG), Man Trucks India Pvt. Ltd., Volvo India, Renault Nissan and major source for Tata Motors and Ashok Leyland and Leyland Nissan

Collaborating for new launches

More than 50 new springs are under development for customers

Looking beyond the horizon ...at a wide array

At JAI, we are entering a new chapter of growth driven by new markets and new products

...new markets

De-risking our Business to protect from low growth cycles in the CV industry by focusing on after-market and export. We are well on the way to meet our target of 33% from these segments in coming years. The ongoing plant reorganization will create separate lines for after-market and exports to ensure quicker response time and scalability.

OEM Exports: We are already exporting to Isuzu and UD Trucks Corporation and have begun actively pursuing OEM exports.

After Market: We have created four strategic hubs to cover our 4,810 dealer network spread across the country. We are well-g geared to execute orders from anywhere in India within 24 hours.

Exports: We saw strong growth during the year. Despite the availability of cheaper parts from other countries, there is a definite shift towards our offering of higher quality at a reasonable price.

...new products

Moving up the value chain

As the market shifts to new technologies like Parabolic, Air Suspension and Lift Axles we have created a strong base in all new technologies. Not only do these products help us keep up with latest demand shifts in India and across the world, they also offer higher margins.



Lending a hand

Our Continued Commitment to Corporate Social Responsibility

At JAI, doing our share to ensure a world with equal opportunities for education and work for all without discrimination and helping citizens live a healthy and happy life in a green environment is built into our DNA. We are already compliant with Section 135 (1) of the Companies Act, 2013. Our CSR initiatives entail 360 degree social development. Our CSR activities are focused on environment conservation & sustainability, promotion of education, promotion of sports and community outreach. We will continue to expand the horizon of these broad categories and will remain compliant with the regulatory mandates for CSR practices.



Environment conservation and sustainability

- Planted 8,870 saplings. Our aim is to reduce use of paper and plant trees to compensate for the paper we use
- Committed to waste management and prevention of plastic bag usage
- Driving water conservation efforts and creating awareness of such issues



Promotion of education

- Provided scholarships to 1,280 needy and underprivileged students
- Initiated three non-formal education centres for 120 school children
- Improved the quality of education for close to 1,300 students in five government schools



Promotion of Sports

- Sponsored Mr. Ankur Sharma who won the Mr. Universe title in Hungary
- Promoted 114 sports persons and helped them achieve recognition at international level
- Promoted nationally recognized, Paralympics and Olympic sports



Community Outreach

- Conducted medical check-up of close to 6,000 people
- Sensitized close to 9,000 people on social, health and hygiene issues
- Worked towards empowering girl students in the field of education, sports and health





Ten Year Financial Summary

Operational Results (Rs in Lacs)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sales	89,429	105,576	120,427	99,799	66,148	52,062	54,119	32,372	21,043	20,954
Less Excise Duty	6,053	7,561	8,462	9,473	4,842	6,133	7,416	4,574	2,912	2,796
Net Sales	83,376	98,015	111,965	90,326	61,306	45,929	46,703	27,798	18,131	18,158
Other Income	202	234	197	174	268	797	341	227	54	108
Total Income	83,578	98,249	112,163	90,500	61,575	46,726	47,044	28,025	18,185	18,266
Operating Profit (PBDITA)	6,669	8,784	10,569	10,821	7,980	3,744	6,077	2,503	1,843	1,734
Interest	2,407	2,674	1,882	2,170	2,617	3,554	2,694	1,243	1,160	1,070
EBDT	4,262	6,110	8,687	8,651	5,363	190	3,383	1,260	683	664
Depreciation & Amortization	2,591	2,895	3,215	3,201	2,938	1,798	1,285	549	399	376
Profit Before tax and other items	27	3,215	5,472	5,450	2,425	-1,608	2,098	711	283	287
Exceptional Items -(Gain/ (loss))	1,756	-	350	30	-36	-	90	-	-	-
Profit Before Tax	1,671	3,215	5,122	5,421	2,460	-1,608	2,008	711	283	287
Tax	391	10	8	431	10	46	43	32	15	1
Deferred Tax Credit	-104	433	895	1,270	540	-397	358	46	191	101
Profit After Tax	1,384	2,773	4,219	3,720	1,911	-1,257	1,606	632	78	186
Cash Profit after tax	3,975	5,688	7,434	6,921	4,849	541	2,891	1,181	477	562
Financial Indicator										
Assets	26,158	28,255	27,374	20,399	16,754	15,694	13,261	6,364	5,416	5,285
Investments	-	525	525	525	525	525	527	1,208	1,208	1,208
Current Assets	24,496	27,210	31,029	26,850	17,586	15,450	18,941	8,060	7,651	7,122
Non-Current Assets	3,260	4,628	4,296	4,415	-	-	-	-	-	-
Equity Share Capital	3,950	3,950	3,940	3,928	3,654	3,653	3,387	1,771	876	876
Preference Share Capital	175	350	350	350	350	350	350	-	-	-
Reserves & Surplus	14,035	13,150	11,317	9,158	4,153	3,098	3,315	-261	844	741
Net Worth	18,161	17,045	14,643	11,695	5,444	4,311	5,116	940	751	636
Long Term Funds	10,247	8,560	10,869	6,563	10,585	13,808	11,253	8,431	6,391	6,723
Medium/ Short Term Funds	2,281	8,059	7,405	7,251	295	382	3,624	57	950	824
Working Capital From Banks	-	-	-	-	1,002	1,928	2,699	1,497	1,263	1,845
Non-Current Liabilities	1,890	1,925	1,390	1,374	-	-	-	-	-	-
Current Liabilities & Provisions	25,014	28,995	31,973	23,565	18,553	12,793	11,193	4,908	5,166	4,026
Ratio										
EBIDT to sales %	8	9	9	12	13	8	13	9	10	10
EBIT to Sales %	5	6	7	8	8	4	10	7	7	6
PBT to Sales %	2	3	5	6	4	-4	4	3	2	2
EBDIT/Avg. Capital Employed	20	30	44	52	58	24	44	27	20	20
EBIT/Avg. Capital Employed (ROCE)	12	20	31	37	37	13	35	21	16	16
PAT/Net Worth	8	16	29	32	35	-29	31	67	10	29
EPS (Rs)	3	7	11	10	3	-4	6	5	1	2
Dividend Per Share (Rs)	1	2	4	2	Nil	Nil	Nil	Nil	Nil	Nil
Net Worth Per Share (Rs)	46	43	37	30	15	39	23	7	9	7

Management Discussion & Analysis

How did JAI fare in FY14 against the cyclical low in Commercial Vehicles sector? How has this decline affected your aim of achieving global leadership in suspension automation solutions? What measures have been taken to protect against such fluctuations in the future?

FY14 was a challenging year for the Indian economy and, in turn, for the automotive sector. Commercial Vehicles (CVs), the segment in which JAI operates, was the worst affected, witnessing a 20.23% fall in volumes during the year. This had a direct bearing on our performance, resulting in 14.9% fall in revenues to Rs 83,370 lacs in FY14 from Rs 98,010 lacs in FY13.

CVs are cyclical in nature and show a close linkage with GDP growth. Thus, in a year where GDP growth slowed to the lowest level in a decade, the CV industry bore the brunt. As industrial and agricultural activity remained sluggish, cargo availability was limited. This, in turn, resulted in lower demand for new vehicles by fleet operators. Existing over-capacity in the system further aggravated the situation.

However, towards the end of FY14, we saw positive signals indicating an upturn in prospects, perhaps as close as FY15 itself, on the back of low market penetration as well as new product launches by industry players. JAI, as market leader in the domestic Original Equipment Manufacturer (OEM) segment for leaf springs with 57% market share, is well-positioned to benefit from the upswing when it sets in.

Today, we supply leaf springs to all major domestic commercial vehicle OEMs including Tata Motors, Ashok Leyland, SML Isuzu, VE Commercial Vehicles, Force Motors, Asia Motor Works and Mahindra Truck & Buses as well as multinational OEMs such as Daimler, MAN Truck India, Renault Nissan, Leyland Nissan, Volvo and Kamaz Vectra. Furthermore, we are the only Indian player with a comprehensive presence across conventional, parabolic, air suspension and lift axles. Our internal Research & Development (R&D) capability and tie-ups with global majors have helped us introduce new generation products. Our six strategically-located manufacturing plants cover all the major auto hubs in India. The company has plans to set up a state-of-the-art plant for R&D and Air Suspension products in Pune.

We have also taken measures to insulate our business from low growth cycles. We have set an ambitious target of 33% of business from new markets (after-markets and exports) and new products (parabolic springs, air suspension and lift axle). This goal is part of our internal plan "Lakshya 33". This plan also involves pruning costs to bring plant break even down to 33%, 33% ROCE and 33% dividend payout (of PAT) to our shareholders. We believe these measures will help us achieve our goal to become the global leader in suspension automation technologies.

What measures are you taking to achieve 33% revenue from new markets?

To attain 33% of sales from the non-OEM market, the company

Indian Commercial Vehicle industry nearing the end of the down cycle

FY14 sees Indian CV market hit a low

The Commercial Vehicle (CV) segment in India witnessed the steepest fall as compared to other automotive segments in FY14 with sales volumes declining by 20.23% compared to FY13. In the past two years, FY13 and FY14, the total CV segment registered a steep fall of 40%. Current CV volumes are the same as five years back in 2009.

India's cycle-prone commercial vehicle industry is not new to downturns. However, the current recession, which began in April 2012 in the medium and heavy truck segment and spread to light commercial vehicles earlier this financial year, has clearly tested the strength of leading OEMs. Unsold stock with dealers and in company stock yards at the end of December 2013 was equivalent to five months' sales.

The slowing economy was the main reason for the industry's predicament. Manufacturing was down, and so were mining, infrastructure, electricity generation and exports. Investor

confidence was low, and this hurt the capital goods sector. Poor consumer confidence impacted purchases. All this resulted in less freight to move.

For any revival, economic growth needs to re surge to 6%-7%+ levels, freight needs to increase, pushing up truck utilisation levels, and discounts need to fall. Many experts believe that the new government at the Centre will focus on infrastructure development and adopt policies that will improve GDP growth.

CV sector experts believe that CV volumes will pick up from FY15 onwards as FY13 and FY14 were years of adjustment – when the country's on-road truck capacity grew slower than the GDP, as fleet operators tried to align their capacities. After two years of adjustment, CV volumes are expected to grow in tandem with the GDP.

Various scenarios envisioned by industry experts indicate that if GDP growth is 5% CAGR through FY15/16/17, then the 5te+ goods carrier industry will grow by 10% CAGR. On the other hand, if GDP growth is 6.5% CAGR, we could see a 25% CAGR in truck (5te+) sales in tonnage.

has been putting systems in place to tap the growing and attractive after-market in India and the exports opportunity. During the year, revenue from this segment increased to 21% of sales up from 16% in FY13.

We believe, going forward, with the increase in driver awareness and preference for safety and durability of their vehicles, the majority of the after-market will shift towards branded products.

JAI has been pursuing this market more aggressively than ever through its wholly-owned subsidiary, Jai Suspension Systems LLP. We have put in place tie-ups with more than 1,310 primary distributors to supply our products to more than 3,500 dealers.

Currently, we enjoy a strong foothold in the North and the West of the country and are taking steps to strengthen our presence in the South and East. Our marketing team organizes various outreach activities, such as the JAI Channel Partner Meet for retailers and the JAI Spring Engineer – for mechanics. We also have a robust incentive policy for distributors, such as, sending more than 50 dealers on foreign trips as a reward for their performance.

The company also aims to generate substantial sales from the after-market and exports. We see a very attractive opportunity in the advanced countries for the after-market, as currently these markets are served either by Chinese or by European players.

During FY14, the company made inroads into and achieved

significant scale of operations in countries which are currently dominated by Chinese vendors. Going forward, we aim to export our products to USA, Europe and Africa.

With our sustained efforts, revenue from the after-market segment increased from Rs 10,000 lacs in FY11 to Rs 24,600 lacs in FY14, thereby growing at a stellar CAGR of 35%.

In exports, the company enjoys strong relationships with global CV OEMs and is also a supplier to all MNCs operating in India. These relationships will help us get quicker access to global operations. We already supply to UD Trucks and Isuzu and expect to start supplies to new customers.

Exports to International OEMs help insulate the company from vulnerabilities in the domestic CV industry. To cater to the exports demand, we are in the process of establishing a dedicated manufacturing line at our state-of-the-art Malanpur plant. We are also refurbishing our existing facilities at the Hosur plant, which should be completed by the end of the current financial year.

JAI is known for its strong position in conventional spring products, what progress is being made in new generation value-added products?

As mentioned previously, our aim is to generate 33% of sales from new products (parabolic springs, air suspension and lift axle) as these products generate higher margins for the

Increasing competition at OEM level to buoy demand

Value added components to offer better returns

The entry of foreign OEM majors into the Indian market is accelerating adoption of new technology in the CV market. From just two players a couple of decades back, the Indian market now has nine. Simultaneously, to cope with competition, domestic CV OEMs are also launching products that are technologically advanced and competitive. Going forward, with customers demanding technologically advanced CVs, the industry is expected to move up the value curve - leading to higher value-added products being supplied to vendors.

Positive Long-Term signals for the Indian Auto Component Sector

Well poised to reach \$110 bn by 2020

According to the Auto Components Manufacturers Association (ACMA), the Indian auto components industry is likely to grow to \$110 bn by 2020, up from \$40.6 bn in FY13, with the domestic

market share of \$80 bn. The share of the auto components industry in the country's GDP is likely to increase to 3.6% by 2020, up from 2.4% in FY12.

The Indian auto components industry is well-poised to achieve strong growth in the coming years due to rising domestic demand in the OEM market and the expanding replacement market. The export market for auto components is also likely to see strong traction as initial signs of global market stability along with reduced economic uncertainty are becoming evident.

Given good long-term demand prospects in the domestic market, and with India emerging as a favored low-cost sourcing destination, the auto component manufacturers are likely to invest in increasing production capacities and technological capabilities. Major global OEMs are planning to make India a component sourcing hub for their global operations. Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries. Furthermore, India is emerging as a sourcing hub for engine components, with

company. To achieve this, we are actively targeting domestic as well as MNC OEMs.

JAI is a pioneer in parabolic springs in the Indian market. We intend to promote higher quality parabolic springs over conventional springs. Parabolic springs weigh less and are more cost efficient, making it a win-win proposition for both the OEM and JAI.

The Indian CV market is also beginning to shift towards better-quality and more efficient vehicles. The entry of MNC players in the CV segment is also driving launches of new models fitted with such upgraded technology products.

Air suspension is a type of vehicle suspension powered by an electric or engine-driven air pump. While this technology has entered India, its uptake is still in single percentage points, unlike in developed countries where the majority of buses run on air suspension.

Lift axle suspension helps increase load-bearing capacity. This technology reduces the wear and tear of the auto parts whenever a truck runs below a specified Gross Vehicle Weight (GVW). Over time, this technology increases the life of the truck and also reduces the maintenance cost. The company is already supplying Ashok Leyland with lift axles. During the year, we also added on Asia Motor Works Ltd as a customer.

What has been the impact of the new value-added products on JAI's profitability?

During the year, EBITDA fell at the consolidated level from Rs 8,784 lacs in FY13 to Rs 6,669 lacs in FY14 with EBITDA margins down to 8% in FY14 from 9% in FY13. This fall was mainly due to a one-off increase in raw material cost due to inventory revaluation and rationalization of obsolete inventory,

which, as a percentage of sales, increased to 67.5% from 65.8% in FY13. Going forward, we expect EBITDA margins to expand on account of improved productivity and other cost saving initiatives taken during the year.

Similarly, the consolidated PAT in FY14 fell by 50.1% to reach Rs 1,380 lacs from Rs 2,770 lacs in FY13, with margins falling to 1.7% from 2.8%. The fall in PAT was chiefly due to the overall fall in revenue and EBITDA. We are confident that PBT will expand to double digits once we achieve the utilization of newly-enhanced capacities resulting from ongoing expansion.

What measures, if any, were taken to strengthen the balance sheet in the year gone by?

FY14 saw JAI strengthen its balance sheet. This was recognized by the credit rating agency, ICRA, which upgraded our credit rating to BBB- (two notches) within a year. We reduced our short-term debt liability by repaying Rs 5,770 lacs to our lenders. We have also converted some of our short-term debt liabilities to long-term, which directly improved our liquidity. Our debt: equity ratio improved to 0.48 in FY14 from 0.70 in FY13 and 1.5 in FY10. In the future, we intend to reduce our existing costly debt to more economical debt.

On the operations side, we consciously focused on reducing our fixed costs. We also consolidated and enhanced productivity at the shop floor level, which lowered the break-even point during the year. We aim to further bring this down to 33%. Reduction in the break-even point to 33% will have a favourable and direct impact on our ROCE, which, coupled with increasing contribution from higher-margin new products and markets, will reach 33%.

OEMs increasingly setting up engine manufacturing units in the country.

Set to benefit from Indian economic revival

India sees GDP growth recover marginally in FY14

India saw a marginal recovery in GDP growth at 4.7% in FY14 from 4.5% in FY13. However, the growth remained subdued due to a mix of factors, such as weak global economic recovery, high inflation, depreciating currency, the slowdown in domestic demand and delayed policy decisions.

With the new government at the Centre laying a clear emphasis on growth and announcing investor-friendly policies, the economy is set to recover. Growth is expected to reach 6.4%

in FY15 with industry dominating the contribution to increased GDP growth.

The automotive sector inches forward

The automotive industry is one of the key drivers of India's economy, accounting for around 4% of India's GDP and over 2,00,000 jobs.

According to SIAM, the automotive sector accounts for 22% of the country's manufacturing GDP. The total domestic automotive market grew by 3.53% YoY in FY14 against 2.6% in FY13, taking volumes to 18.4 mn units. Except the two-wheeler segment, all the other segments including passenger (PV) and commercial vehicles (CV) de-grew in FY14.

The company's financial details are as follows:

Rs. in crores

Particulars	Standalone Year ended 31.03.2014	Consolidated Year ended 31.03.2014
Gross Sales	805	894
PBIDT	59	67
Finance Cost	21	24
PBDT	38	43
Depreciation & others	25	26
PBT (After Exceptional Items)	13	17
Previous year adjustment	1.1	1.1
Provision for Tax	-1	3
PAT	14	14

What are the internal controls in the Company?

The company has put in place strong internal controls, system and processes and keeps reviewing their adequacy from time to time. The audit committee reviews the audit reports submitted by the internal auditors. Suggestions for improvement are considered and implemented. The company places strong emphasis on best practice in corporate governance.

DIRECTORS' REPORT

Dear Members,

The Directors of the company are pleased to present its 48th Annual Report, together with the audited accounts and performance for the year ended 31 March 2014:

Financial Results

Rs. in crore

Particulars	Standalone		Consolidated	
	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2014	Year Ended 31 March 2013
Gross Sales	805	942	894	1056
PBIDT	59	84	67	88
Finance Cost	21	22	24	27
PBDT/Cash Profit	38	62	43	61
Depreciation & others	25	28	26	29
PBT (After Exceptional Items)	13	34	17	32
Previous year adjustment	1.1	0	1.1	0
Provision for current tax	0.03	-	4	0.09
Provision for Deferred tax	-1	4	-1	4
PAT	14	29	14	28
Balance Brought forward	-79	-95	-81	-96
Profit available for appropriation	14	29	14	28
Balance carried to Balance Sheet	-70	-79	-72	-81

Performance

The domestic automobile industry has been witnessing one of the worst recessions in recent times. The automobile industry ended the year 2013-2014 on a decline. Amongst automobile industry segments, the Commercial Vehicle (CV) segment has been the worst affected. The current recession, which began in early 2012 in the Medium and Heavy Commercial Vehicle (M&HCV) segment, has since spread to the Light Commercial Vehicles (LCV) segment too. On YoY basis, the CV industry volumes declined by 20.23% in FY14 against FY13. The company was affected by the slowdown in the CV segment, with the M&HCV sub-segment showing the worst decline in sales and profits. The M&HCV segment is crucial for the company's growth.

Industrial output and infrastructure investment are the key factors that affect demand in the CV segment. The slowdown in core industries including cement and steel; and the decline in mining, infrastructure and exports has negatively impacted the CV segment. Poor demand, high discounts and inventory piling have hurt the industry bottom line significantly as have the additional capacities built up by Original Equipment Manufacturers (OEMs).

Against this backdrop of a depressed CV segment, the company achieved total consolidated sales of Rs 894 crore, cash profit of Rs 43 crore and profit after tax of Rs 14 crore during FY 2013-2014 as compared to consolidated sales of Rs 1,056 crore, cash profit of Rs 61 crore and consolidated profit after tax of Rs 28 crore in the previous year.

In order to achieve this performance, the company focused its efforts on improving operational efficiencies and cost control, and on easing liquidity pressure. The company rationalized manpower, shut down the Lucknow plant, and sold investment in NHK Springs India Ltd at profit. Measures adopted for operational efficiencies and cost control have reduced the breakeven level. With this improved financial management, the company was able to maintain robust liquidity even under pressure. During the year under review, the company reduced its short term debt liability by repaying Rs 57.7 crore. In view of the better working capital management and prudent measures undertaken for cost control, the company's credit rating was duly raised from BB+ to BBB-.

The company is committed to its long-term plans of expanding the customer and market base, to change product mix by increasing After Market-India/Export share and to reduce the contribution of Tapered Leaf Springs to total revenue. However, on account of the current economic slowdown, some of these plans are likely to be delayed by another year.

With the formation of a stable government at the Centre, the company's Directors are optimistic of a stable economy in the medium and long-term. The Directors expect the new government to take concrete measures towards development, employment generation and scaling-up the economy. The governments' promised focus on infrastructure development, GST implementation, FDI, industrial and social reforms is expected to build up confidence in the economy and to create demand. Measures such as expenditure on infrastructure development, increased mining and GST implementation will spur CV demand and contribute to an early recovery.

Your company proposes to pay accumulated dividend of Rs 0.33 crore to IFCL Limited on 12.50% Optionally Convertible Cumulative Preference Shares.

Products

Your company continued its dominance in the market for Tapered and Parabolic Leaf Springs. The sale of your company's new product, Lift Axles was low as demand for multi-axle vehicles remained weak owing to industry recession, low freight availability and weak sentiments of transporters. Your company has also tied up with Asia Motor Works Ltd for the supply of Lift Axles. Furthermore, your company is at an

advanced stage of negotiations with major customers for the supply of Air Suspension.

Market

Jai Suspension Systems LLP, our subsidiary entity, manages our After Market-India/Export operations. Your company has opted to give special attention to its After Market-India/Export operations. Your company has established a wide network of dealers, depots and hubs to meet the After Market demand across the nation. The company is constantly expanding its network to penetrate the After Market-India/Export. During the year, your company closed down two depots and directed supplies to dealers/customers from the hubs. This enabled your company to execute the order more efficiently. Your company has grown in the After Market-India and Export segments by adding new domestic and export customers and markets. As a combined result, the After Market-India/Export sales grew by 21% during the year under review.

During the year your company also increased its share of business with TATA Motors Limited, the largest manufacturer of CVs in India. The increase in share is expected to bring additional volumes in FY 2014-2015 and subsequently.

Capital expenditure

During the year under review, the Company has incurred only need based capital expenditures to conserve cash. The Company has closed down Lucknow Plant as a cost control and rationalization measure.

IPR

Your Company is owner of copyright of more than 60 designs of Leaf and Parabolic Springs. The Company has filed 7 more applications for copyright during the year under review. The patent application of the Company for Indian patent for Air Suspension is pending before the patent authorities.

Dividend

Your directors propose to pay final dividend of Re.1 per equity share.

Human Resource

The relations with employees and associated workforce remained cordial throughout the year.

CSR

Section 135 of Companies Act, 2013 (effective 1 April, 2014) has given statutory strength to the concept of Corporate Social Responsibility. However, your Company was aware of its responsibility towards society much before applicability of Section 135. The Company has been fulfilling the aspiration of society within vicinity of its work units. This has resulted in a harmonious relationship between the Company and community.

Pursuant to the provision of Section 135, the Board of Directors has constituted CSR Committee comprising Mr. Shashi Bansal (Chairman), Mr. R. S. Jauhar and Mr. H. S. Gujral. The CSR

Committee is responsible for formulation and implementation of CSR policies of the Company.

Board Committees

To align with requirement of the Companies Act, 2013 and newly amended Clause 49 of the listing agreement, the Board of Directors has re-organised its committees. Existing Remuneration Committee is re-organised as Nomination & Remuneration Committee, Shareholder Grievance Committee is re-organised as Stakeholders Relationship Committee. Audit Committee has been re-organised to cover the requirement of Companies Act, 2013 and amended Clause 49.

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 form an integral part of this report.

Particulars of Employees

As per the provisions of Section 219 (1) (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. 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

Section 149, 150 and 152 of the Companies Act, 2013 (effective 1 April, 2014) provides for the appointment and term of office of independent directors. Independent director can be appointed for a term of up to five consecutive years and shall be eligible for re-appointment for further term upto five consecutive years by passing of a special resolution by the company. Any tenure of an independent director on the date of commencement of Companies Act, 2013 shall not be counted as a term under the Act. Section 149(13) states that provisions related to retirement of directors by rotation shall not be applicable to independent director.

All the independent directors of the Company were appointed as director liable to retire by rotation under the erstwhile Companies Act, 1956. Therefore to comply with the provisions of the Companies Act, 2013 related to independent director proposals for fresh appointment of all the independent directors i.e. Mr. J. K. Jain, Mr. C. K. Vohra, Mr. U. K. Singhal, Mr. Shashi Bansal and Seth Ashok Kumar are being placed for consideration of the members at the coming Annual General Meeting.

In accordance with Section 152 and other applicable provisions of the Companies Act, 2013, Mr. B. S. Jauhar and Mr. H. S. Gujral retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. In order to comply with the provisions of Section 152(6) of the Companies Act, 2013 related to retirement of directors by rotation, proposal to make office of Mr. P. S. Jauhar liable to be determined by retirement of directors by rotation is being placed for consideration of the members at the coming Annual General Meeting.

Board of Directors at their meeting held on 13 November 2013 re-appointed Mr. Randeep Singh Jauhar as CEO & Executive Director for a period of three years with effect from 1 January 2014 to 31 December, 2016. A proposal for re-appointment of Mr. R. S. Jauhar as CEO & Executive Director is being placed for the consideration of members at the coming Annual General Meeting.

Statutory Auditors

The Statutory Auditors have reported that some discrepancies were noted on physical verification of inventories. During the year, Company has carried out a detailed exercise to identify stock which in the opinion of management was not fit for producing quality products. Accordingly, such material was disposed off at net realizable value.

The Statutory Auditors have also drawn attention to note no. 44 of financial statement that remuneration has been paid to whole time directors in excess of permissible remuneration under the Companies Act, 1956. The Company is in the process of filing applications with Central Government for approval of payment of excess remuneration to two whole time directors. The directors have also confirmed to refund to Company excess remuneration in the event Central Government refuses to grant its approval.

The present Statutory Auditors i.e. M/s S. R. Batliboi & Co; LLP Chartered Accountants, has confirmed their eligibility and willingness to act as Statutory Auditors of the company, if re-appointed at the coming annual general meeting. Directors recommend the appointment of M/s S. R. Batliboi & Co; LLP, Chartered Accountants as Statutory Auditors at the coming Annual General Meeting.

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

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, M/s Goyal Goyal & Associates, Cost Accountants and M/s Vijender Sharma & Co., Cost Accountants are proposed to be re-appointed for the financial year ending on 31 March 2015.

Internal Auditors

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 the majority of transactions in value terms. Independence

of audit and compliance is ensured by submitting the report of internal audit to the Audit Committee of the Board.

To ensure reliability of financial reporting and safeguarding of the assets internal control systems, accounting and procedural controls are established in the organization. The company endeavours to continuously strengthen such procedures and controls.

Subsidiary Entity

The Company is majority partner is Jai Suspension Systems LLP. As required, consolidated financial statements of the Company and Jai Suspension Systems LLP for the financial year 2013-14 are included in the Annual Report.

Corporate Governance

The Company is in compliance with requirements of corporate governance mentioned in Clause 49 of listing agreement. The Company has documented insider trading code and code of conduct as part of internal policies. Company's corporate governance report along with certificate of compliance forms part of Annual Report.

Directors' Responsibility Statement as required under Section 217(2AA) of the erstwhile Companies Act, 1956

Annual Accounts for the financial year ended 31 March 2014 have been prepared on a going concern basis. Annual Accounts are in conformity with requirements of Accounting Standards issued by the Institute of Chartered Accountants of India and no material departure from same has been made. In preparation of the annual accounts such accounting policies have been selected and consistently applied, 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 2013-2014 and of the profit of the Company for that period. The Board of Directors has taken proper and sufficient care to maintain adequate accounting records in accordance with provisions of the Companies Act, 1956, to safeguard assets of the Company and to prevent & detect fraud and other irregularities.

Appreciation

The Directors place on record their sincere appreciation to all stakeholders including shareholders, vendors, partners, customers, bankers and financial institutions for their continued support. We also place on record our appreciation for the hard work, harmony and contributions made by employees at all levels.

For and on behalf of the Board

Place: New Delhi
Date: May 29, 2014

(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.
- (iv) Fume extraction system are under installation which will prevent quenching oil drops being released in the air.

b) Additional investment and proposal, if any, being implemented for reduction of energy: Your Company is engaged in energy conservation on continuous basis.

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

- (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) Generation of Life expectancy of leaf springs under different stress amplitudes.
- (ii) Design & Development of Lift Axle & Air Suspension.

b) Benefits derived as a result of R&D

- (i) Reduction in Design & Development time.
- (ii) Optimum utilization of weight of the springs for expected life.
- (iii) Product diversification.

c) Future Plan of Action.

- (i) Trials of advanced shot peening techniques and impact on life.
- (ii) Development of Composite Leaf Springs

d) Expenditure on R&D (Rs. in crore)

	Year ended 31.03.2014	Year ended 31.03.2013
(i) Capital/Deferred Revenue :	0	0
(ii) Recurring :	1.87	0.66
(iii) Total :	1.87	0.66
(iv) Total R&D expenditure as percentage of Total Turnover:	(0.23%)	(0.07%)

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

C. Technology Absorption & Continuous Improvement

a) Technology Absorption, adaptation and innovation

- (i) Technology imported from NHK Spring Co. Ltd., Japan (NHK) for manufacturing of Parabolic Leaf Springs has been fully absorbed.
- (ii) Technology absorption 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 Design & Manufacturing of Air Suspension & Lift Axles is partially absorbed.
- (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 Center 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 Tapered Leaf Springs)
(2009-2010 for manufacturing Air Suspension)
- (ii) Has technology been fully absorbed: Technology imported for Tapered Leaf Springs has been fully absorbed. Technology imported for Air Suspension has not been fully absorbed yet.

D. Foreign Exchange Earnings And Outgo

The details of foreign exchange earnings and outgo follow as under:

(Rs. in crore)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Foreign exchange used	7.50	25.01
Foreign exchange earned	7.54	5.04

ANNEXURE “B”

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 31st March, 2014

	Particulars	For the Year ended March 31, 2014	Cumulative options upto March 31, 2014
1.	Number of Options granted	Nil	1,542,711
2.	Pricing formula	Market price at the time of grant of option	Market price at the time of grant of option
3.	Options vested	149,228	708,733
4.	Options exercised	3,750	352,989
5.	Total number of shares arising as a result of exercise of option	3,750	352,989
6.	Options lapsed/Cancelled	116,275	68,8247
7.	Variation in terms of options	Nil	Nil
8.	Money realized by exercise of options	Rs. 202,413	Rs. 14,924,275
9.	Total number of options in force	501,475	501,475
10.	Employee-wise details of options granted during the year to		
	(i) Senior managerial personnel	Nil	1,109,661
	(ii) Other employee who received 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 earnings per share (EPS) pursuant to issuance of options under ESOP calculated in accordance with International Accounting Standard (IAS) 33	10.70	10.83
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>There would be no impact on the profit or earnings per share had the company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.</p>		
13.	<p>Weighted average exercise price (per option): Not applicable since the company has not granted stock options during the year</p> <p>Weighted average fair value (per option:): Not applicable since the company has not granted stock options during the year (per black scholes model)</p>		

ANNEXURE “C”

The Company’s Philosophy on Corporate Governance

The Company’s philosophy on Corporate Governance is aimed at meeting its obligations to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity.

Board of Directors

The Board of Directors (The Board) provides strategic directions and oversees the overall functioning of the company. The day to day affairs of the company are managed by a competent team of professionals. Composition of the Board is as follows:

Promoter Directors	Mr. Bhupinder Singh Jauhar (Non Executive Director) Mr. Randeep Singh Jauhar (CEO & Executive Director) Mr. Pradeep Singh Jauhar (COO & Executive Director)
Independent Directors	Mr. Jainendar Kumar Jain Mr. Chander Kailash Vohra Seth Ashok Kumar Mr. Uma Kant Singhal Mr. Shashi Bansal
Non-Independent Directors	Dr. Pierre Jean Everaert (Nominee Director, Clearwater Capital Partners (Cyprus) Ltd) Mr. Karthik Athreya, Alternate Director to Dr. Pierre Jean Everaert Mr. Hardeep Singh Gujral Mr. V. Subramanian (Nominee Director, IFCI Ltd)

The Board has an optimum combination of Executive and Non-Executive Directors. Board meetings are normally held at New Delhi at the Corporate Office of the Company.

Four meetings of the Board were held on 30.05.2013, 13.08.2013, 13.11.2013 and 12.02.2014 during FY 2013-2014. Details of attendance of the directors at Board Meetings, last Annual General Meeting and number of their directorships and committee memberships/chairmanships in accordance with Clause 49 of the listing agreement as on 31 March 2014, are as follows:

Name	Attendance		Particulars of other directorships/ Committee Membership(s)/ Chairmanship(s) in public companies		
	Board Meetings	Last AGM (Yes / No)	Director-ship	Committee Member-ship	Committee Chairman-ship
Mr. B. S. Jauhar	1	Yes	-	-	-
Mr. R. S. Jauhar	4	No	-	-	-
Mr. P. S. Jauhar	4	Yes	-	-	-
Mr. H. S. Gujral	4	No	-	-	-
Mr. J. K. Jain	4	No	2	-	-
Seth Ashok Kumar	0	No	3	2	1
Mr. C. K. Vohra	1	Yes	-	-	-
Mr. U. K. Singhal	4	No	-	-	-
Mr. Shashi Bansal	3	No	-	-	-
Dr. Pierre Jean Everaert	0	No	-	-	-
Mr. Karthik Athreya (alternate director to Dr. Pierre Jean Everaert)	0	No	3	-	-
Mr. V. Subramanian	4	No	-	-	-

The Board has formed following committees to expedite resolution of routine matters and also under the requirements of the Companies Act, 1956, listing agreement and SEBI regulations. Detail of the committees is given below in the report:

- 1) Audit Committee
- 2) Compensation Committee (ESOP)
- 3) Remuneration Committee
- 4) Borrowing, Investment & Administrative Committee
- 5) Shareholders' Grievance & Transfer Committee

Board of Directors has re-organised these committees in conformity with the provisions of The Companies Act, 2013 and revised listing agreement CSR Committee has also been constituted by the Board of Directors.

Audit Committee

The Committee consists of 4 non-executive directors out of four directors, three directors are independent. The Committee confirms to the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The scope of the committee includes roles and powers enumerated in Clause 49 (II) of the Listing Agreement. The composition of the Committee is as follows:

Independent Directors	Mr. Chander Kailash Vohra, Chairman Mr. Jainendar Kumar Jain Mr. Uma Kant Singhal
Non Executive and Non Independent Director	Mr. V. Subramanian

All members of the Committee are financially literate. Chairman of the Committee, Mr. C. K. Vohra is a retired Indian Revenue official and has wide knowledge of accounts and finance.

The Committee oversees the accuracy and integrity of accounting and financial reporting and meets at least once in a quarter to discuss the financials, audit reports, related party transactions and other matters. Financial results and accounts are reviewed by the Committee before they are placed before the Board. The Company Secretary acts as a secretary to the Committee and Head of finance and accounts also presents at the Committee meeting. Statutory, internal and cost auditors are also invited to the Committee meetings as and when required. Independence of audit is ensured by submitting the statutory, internal and cost audit reports to the Committee. The proposal for appointment or re-appointment of the auditors is also placed before the Committee for its recommendation.

Total four meetings of the Committee were held during FY 2013-2014 on 30.05.2013, 13.08.2013, 13.11.2013 and 12.02.2014. The detail of attendance of members at Audit Committee meeting is as follows:

Member	Mr. C.K. Vohra	Mr. J. K. Jain	Mr. U. K. Singhal	Mr. V. Subramanian
Attendance	1	4	4	4

Compensation Committee (ESOP)

The Committee consists of 4 directors and confirms to the requirements of SEBI ESOP Guidelines, 1999. The composition of the Committee is as follows:

Independent Directors	Mr. Uma Kant Singhal, Chairman Mr. Jainendar Kumar Jain Mr. Chander Kailash Vohra
Executive Director	Mr. Randeep Singh Jauhar

The Committee administers the ESOP scheme, allot shares upon exercise of the stock options and grant of stock options. The Compensation Committee had allotted 3750 shares upon exercise of stock options during the financial year under review.

One meeting of the Committee was held on 13.08.2013 during the FY 2013-2014. The detail of attendance of members at Compensation Committee meeting is as follows:

Member	Mr. R. S. Jauhar	Mr. J. K. Jain	Mr. C. K. Vohra	Mr. U. K. Singhal
Attendance	1	1	1	1

Remuneration Committee

The Committee consists of 4 directors and confirms to the requirements of the Companies Act, 1956 and clause 49 of the listing agreement. The composition of the Committee is as follows:

Independent Directors	Mr. Chander Kailash Vohra, Chairman Mr. Jainendar Kumar Jain Mr. Uma Kant Singhal
Non Executive and Non Independent Director	Mr. V. Subramanian

The Committee reviews and makes recommendation on the remuneration of Directors and other senior executives, as designated by the Board, based on their performance and defined assessment criteria. All the executive directors are appointed for a fixed term, normally, of three years. Executive Directors are paid monthly remuneration as per terms of their appointment. Non-Executive Directors are paid sitting fee for attending meeting of the Board or Committee meetings of the Board.

Two meetings of the Remuneration Committee were held during FY 2013-2014 on 30.05.2013 and 13.11.2013. The detail of attendance of members at the meeting is as follows:

Member	Mr. J. K. Jain	Mr. C. K. Vohra	Mr. U. K. Singhal	Mr. V. Subramanian
Attendance	2	0	2	2

Borrowing Investment & Administrative Committee

The Committee consists of 3 directors and meets as and when required to expedite resolution of routine matters. Following is the composition of the Committee:

Independent Directors	Mr. Uma Kant Singhal, Chairman
Executive Director	Mr. Randeep Singh Jauhar Mr. H. S. Gujral

One meeting of the committee was held during FY 2013-2014 on 11.12.2013 to approve authorization of employees to perform their day to day duties. The detail of attendance of members at the meeting is as follows:

Member	Mr. R. S. Jauhar	Mr. U. K. Singhal	Mr. H. S. Gujral
Attendance	1	1	1

Shareholders' Grievance & Transfer Committee

The Committee consists of 3 directors. Following is the composition of the Committee:

Independent Directors	Mr. Uma Kant Singhal, Chairman
Executive Director	Mr. Randeep Singh Jauhar Mr. H. S. Gujral

The Committee oversees and reviews all matters connected with transfer of shares, redressal of shareholders' complaints and performance of the Registrars and Transfer Agents and recommends measures for overall improvement in the quality of services to the investors. Three meetings of the Committee were held during FY 2013-2014 on 30.05.2013, 13.08.2013 and 31.03.2014. The details of attendance of members at Shareholders' Grievance and Transfer committee meeting are as follows:

Member	Mr. R. S. Jauhar	Mr. U. K. Singhal	Mr. H. S. Gujral
Attendance	3	3	2

Certifications

Members of the Board and Senior Management personnel have affirmed compliance with the code of conduct for business ethics and code of conduct for insider trading.

Pursuant to Clause 49V of the listing agreement, Mr. P. S. Jauhar, COO & Executive Director and Mr. Vivek Bhatia, CFO of the company have certified to the Board regarding the Financial Statements for the year ended 31 March 2014.

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-135001, Haryana. Following are the details of date, time and special resolutions passed at the AGM's:

Year	2011	2012	2013
Date	31.08.2011	18.08.2012	20.09.2013
Time	11:30 a.m.	9:30 a.m.	9.30 a.m.
Special Resolution	Nil	Re-appointment of Mr. S. P. S. Kohli	1. Re-appointment of Mr. P. S. Jauhar as Whole Time Director of the Company 2. Increase in Remuneration of Mr. R. S. Jauhar
Resolution proposed or passed by postal ballot	Nil	Nil	Nil

Disclosures

(A) Basis of related party transactions

Details of related party transactions entered into by the company are placed before the Board and the Audit Committee on quarterly basis. The details are also included in the Notes to Accounts. All the transactions with related parties are in the normal course of business on an arm's length basis and do not have potential conflict with the interests of the Company at large.

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 paid sitting fee for attending meeting of the Board or Committee of the Board. During the financial year ended 31 March 2014 the company has paid following sitting fee to the Non-executive directors:

Name of Director	Sitting Fee Paid (Rs in lacs)	No. of equity shares held	Convertible Instruments / ESOP
Seth Ashok Kumar	-	5250	-
Mr. J. K. Jain	1.10	-	-
Mr. C. K. Vohra	0.30	-	-
Mr. U. K. Singhal	1.50	-	-
Mr. Shashi Bansal	0.30	-	-
Mr. Pierre Jean Everaert	-	-	-
Mr. V. Subramanian	1.00	-	-
Mr. Karthik B. Athreya	-	-	-

For the year ended 31 March 2014, Non-Executive Directors did not have any pecuniary transaction or relationship with the company except receipt of sitting fee as above.

Executive Directors

The company paid 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 2013-14:

(Rs. in lacs)

	Mr. R. S. Jauhar	Mr. P. S. Jauhar	Mr. H. S. Gujral
Basic Salary	7,680,000	7,680,000	580,000
Allowance	5,252,979	6,034,698	410,168
Perquisites	178,114	63,600	109,891
PF Contribution	921,600	921,600	69,600
Total	14,032,693	14,699,989	1,169,659

(C) Management

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

(D) Shareholders

Mr. Bhupinder Singh Jauhar and Mr. Hardeep Singh Gujral 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 2014:

1) Mr. Bhupinder Singh Jauhar	688,774
Mr. Bhupinder Singh Jauhar(HUF)	21,550
2) Mr. Hardeep Singh Gujral	6,319

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 and Compliance Officer

During the financial year ended 31 March 2014 the Company has received and resolved 9 complaints. No complaint was pending as on 31 March 2014. 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 2014 for more than 15 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) Limited
D-153 A, First Floor, Okhla Industrial Area, Phase - I
New Delhi-110 020
Ph. no. 011- 26812682, 26812683 Fax no. - 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. B. S. Jauhar, Chairman is the father of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

(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: The Board has Non-Executive Chairman. 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: Please refer heading “Board of Directors” and ‘Remuneration Committee’.

Shareholder Rights: Please refer heading “Means of Communications”.

Audit Qualifications: As per Auditors’ Report

Outstanding Gdrs/Adrs/Warrants Or Any Convertible Instruments, Conversion Date And Likely Impact On Equity

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

Dematerialization Of Shares

3,56,22,930 (90.14%) shares of the company are in dematerialized form as on 31 March 2014.

General Shareholders Information

Date, time and venue of the 48 Annual General Meeting:

Wednesday, September 03, 2014 at 9:30 a.m. at the Registered Office at Jai Springs Road, Industrial Area, Yamuna Nagar – 135001, Haryana.

Financial Calendar (tentative and subject to changes)

Financial Year: 1 April 2014 to 31st March 2015

- Un-audited Financial Results for Quarter ending June, 2014: 14 August, 2014
- Un-audited Financial Results for Quarter ending September, 2014 14 November, 2014
- Un-audited Financial Results for Quarter ending December, 2014 : 14 February, 2015
- Audited Results for the year ending 31 March 2015 : May 2015
- Annual General Meeting for the year 2015 : On or before 30 September 2015

Book Closure / Record dates:

The register of Members of the Company and Share Transfer Books will remain closed from Monday, August 25, 2014 to Wednesday, August 27, 2014 (both the days inclusive).

Dividend payment date:

The company has not paid any Interim Dividend during the year ended 31 March 2014. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend remaining unclaimed/unpaid for a period of 7 years from the date of transfer to the Company’s unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF Fund).

Following are the dates of dividends declared and the corresponding dates when unclaimed dividends are due for transfer to IEP Fund:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to Investor Education and Protection Fund
2010-11 (Interim Dividend)	03.02.2011	02.02.2018	06.03.2018
2010-11 (Final Dividend)	31.08.2011	30.08.2018	01.10.2018
2011-12 (Interim Dividend)	01.08.2011	31.07.2018	01.09.2018
2011-12 (Second Interim Dividend)	31.01.2012	30.01.2019	02.03.2019
2011-12 (Final Dividend)	18.08.2012	17.08.2019	17.09.2019
2012-13 (Final Dividend)	20.09.2013	19.09.2020	20.10.2020

In view of the above, members are advised to send unencashed dividend warrants pertaining to the above years to the Registrar and Share Transfer Agent for revalidation or issuance of Demand Drafts in lieu thereof and encash them before the due dates for transfer to the IEP Fund.

Listing on Stock Exchanges

National Stock Exchange, Bombay Stock Exchange and Delhi Stock Exchange.

During the year Company has received approval from Ludhiana Stock Exchange for delisting of its shares.

Website

The company has a separate section on “Investor Relations” on its web site www.jaispring.com. Shareholding pattern, financial results, annual reports and other information are periodically updated in this section. The section also contains information on the code of conduct, insider trading policy, details about the board of directors, contact information of Compliance Officer, RTA etc. Apart from that 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			
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Month	High (Rs.)	Low (Rs.)	Close (Rs.)
April 2013	84.95	66.00	78.00	April 2013	84.90	73.45	75.00
May 2013	76.90	75.00	75.00	May 2013	79.90	70.05	75.00
June 2013	89.75	73.00	73.00	June 2013	75.25	73.00	73.70
July 2013	76.60	73.00	73.00	July 2013	76.60	73.00	73.00
August 2013	72.50	60.00	60.00	August 2013	73.00	57.20	60.00
September 2013	60.00	52.00	55.10	September 2013	62.95	52.00	54.60
October 2013	57.85	50.05	52.95	October 2013	57.30	50.05	53.00
November 2013	60.90	52.00	59.00	November 2013	59.85	52.05	59.00
December 2013	69.00	58.10	65.20	December 2013	70.40	59.15	70.40
January 2014	72.85	56.00	56.00	January 2014	72.80	54.20	56.00
February 2014	61.30	50.70	61.30	February 2014	62.30	51.50	62.30
March 2014	74.00	59.65	71.25	March 2014	73.90	60.00	72.85

Distribution Schedule As On 31 March 2014

Share Holding Class	No. of Share holders	% of total number of shareholders	Number of shares of Rs.10 each	% of total number of shares
Up to 500	16,345	94.98	2,120,705	5.37
501 to 1000	480	2.79	363,092	0.92
1001 to 2000	163	0.95	237,402	0.60
2001 to 3000	47	0.27	117,957	0.30
3001 to 4000	19	0.11	63,313	0.16
4001 to 5000	20	0.12	92,170	0.23
5001 to 10000	48	0.28	368,452	0.93
10001 and above	87	0.51	36,153,523	91.49
Total	17,209	100.00	39,516,614	100.00

Shareholding Pattern As on 31 March 2014

Category	No. of shares held	% of total share capital
Promoters	17,409,830	44.06
Mutual Funds / UTI	20,450	0.05
Financial Institutions / Banks	6,650	0.02
FII's	259,815	0.66
Bodies Corporate	605,515	1.53
Indian Public	7,105,149	17.98
NRIs /Foreign Nationals/OCB	427,037	1.08
Foreign Company	13,501,653	34.17
Others	180,515	0.45
	39,516,614	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 newspaper.

Company's website also provides updated information about shareholding pattern, financial results, annual reports, regular announcements, press releases, etc.

A separate section on Management Discussion and Analysis for the year ended on 31 March 2014 also forms part of this Annual Report.

Plant Locations

- Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana.
- U- 27-29, Industrial Area, Malanpur, District Bhind– 477 116, M.P.
- Plot No. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, Distt. Kanchipuram - 603 204, Tamil Nadu.
- 262 - 263, Village Karnidih, Chandil, District Saraikella, Kharswan - 832 401, Jharkhand.
- Thally Road, Kalugondapalli Post, Hosur-635114, Distt. Krishnagiri, Tamil Nadu

Corporate Office

2 Park Lane, Kishangarh,

Vasant Kunj, New Delhi –110 070

Ph. no.: 011-32648668, 32648698 Fax: 26893192

E-mail: praveen@jaispring.com, website: www.jaispring

AUDITORS' CERTIFICATE

To,

The Members of Jamna Auto Industries Ltd

We have examined the compliance of conditions of corporate governance by Jamna Auto Industries Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number:301003E

per **Vikas Mehra**

Partner

Membership No.:94421

Place: Gurgaon

Date: May 29, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Jamna Auto Industries Limited Report on the Financial Statements

We have audited the accompanying financial statements of Jamna Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the note no. 44 of accompanying financial statements stating that remuneration of Rs.191.33 Lacs being paid to the executive and whole time directors which is in excess of permissible remuneration under the Companies Act, 1956 and is more fully described therein.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - 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;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Vikas Mehra**

Partner

Membership Number: 94421

Place of Signature: Gurgaon

Date: May 29, 2014

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date.

Re: Jamna Auto Industries Limited ('the Company')

- i. a. The Company has obtained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All fixed assets have not been physically verified by the management during the year but there is a regular program of verification, once in three year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. There was no disposal of a substantial part of fixed assets during the year.
- ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. *Some discrepancies noted on physical verification of inventories which were material*, and have been properly dealt with in the books of account.
- iii. a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- b. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 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 explanations given to us and having regard to the explanation that purchases of service which are for the specialized requirement of the Company for which alternative sources are not available to obtain comparable quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five Lacs have been entered into during the financial year at prices are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to

the manufacture of springs, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- ix. a. The Company is regular in depositing with appropriate authorities 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 material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:
- x. The Company's accumulated losses at the end of the

financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The company does not have any debentures outstanding during the year.
- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv. According to the information and explanations given to

Name of Statute	Nature of disputed dues	Forum where dispute is pending	Amount (Rs. in lacs)	Period to which it pertains
Finance act 1994, (Service tax)	Service Tax	CESTAT, New Delhi	51.50	2008-2009
The Central Excise act, 1944	Custom Duty	CESTAT, New Delhi	40.24	2009-2010
Madhya Pradesh Sales Tax Act, 1958	Entry Tax/ Sales Tax	MP Commercial Tax Appellate Board, Bhopal	11.78	2001-2002
Madhya Pradesh Sales Tax Act, 1958	Entry Tax/ Sales Tax	MP Commercial Tax Appellate Board, Bhopal	5.81	2008-2009
Finance Act, 1994 (Service tax)	Service Tax	Commissioner Appeal, Delhi	2.62	2005-2006 to 2009-2010
Finance Act, 1994 (Service tax)	Service Tax	Commissioner Appeal, Delhi	3.17	2010-2011
Finance Act, 1994 (Service tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	0.57	2005-2006
Uttar Pradesh Value Added Act, 2008	Sales tax	High Court, Allahabad	6.20	2008-2009
The Central Excise act, 1944	Excise Act	High Court, Gwalior	7.47	1997-1998
Jharkhand Value Added tax Act, 2005	VAT	Additional Commissioner (Commercial Tax), Jamshedpur	21.39	2008-2009
The Central Excise Act, 1944	Excise Act	Commissioner Central Excise, Jamshedpur	15.56	2010-2013 (Upto July 2012)

- us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- xvi. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money through a public issue.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm's Registration Number: 301003E

per **Vikas Mehra**
Partner
Membership Number: 94421
Place of Signature: Gurgaon
Date: May 29, 2014

Balance Sheet

as at March 31, 2014

(All amounts in Rupees lacs, unless otherwise stated)

	Particulars	Note	As at March 31, 2014	As at March 31, 2013
I	Equity and Liabilities			
1	Shareholders' funds			
	(a) Share capital	3	4,125.14	4,299.76
	(b) Reserves and surplus	4	14,287.32	13,357.78
			18,412.46	17,657.54
2	Share application money pending allotment	3(h)	0.27	-
3	Non-current liabilities			
	(a) Long-term borrowings	5	6,144.26	4,115.27
	(b) Deferred tax liabilities (net)	6	1,453.36	1,558.17
	(c) Other long-term liabilities	7	6.63	7.02
	(d) Long-term provisions	8	293.46	235.12
			7,897.71	5,915.58
4	Current liabilities			
	(a) Short-term borrowings	9	825.09	4,898.64
	(b) Trade payables	10	18,471.75	19,962.88
	(c) Other current liabilities	11	3,984.87	4,949.64
	(d) Short-term provisions	8	555.66	1,011.63
			23,837.37	30,822.79
	TOTAL		50,147.81	54,395.91
II	Assets			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12(a)	24,922.79	25,251.85
	(ii) Intangible assets	12(a)	131.59	457.60
	(iii) Capital work-in-progress		124.77	925.25
			25,179.15	26,634.70
	(b) Non-current investments	13	2,090.90	1,624.84
	(c) Long-term loans and advances	14	2,312.80	2,304.17
	(d) Other non-current assets	15	36.18	105.15
			4,439.88	4,034.16
2	Current assets			
	(a) Current investment	13	-	524.99
	(b) Inventories	16	7,746.78	10,924.21
	(c) Trade receivables	17	10,485.02	9,602.73
	(d) Cash and bank balances	18	1,034.04	1,110.46
	(e) Short-term loans and advances	14	1,201.90	1,372.65
	(f) Other current assets	15	61.04	192.01
			20,528.78	23,727.05
	TOTAL		50,147.81	54,395.91

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

per **Vikas Mehra**

Partner

Membership No.: 94421

For and on behalf of the Board of Directors of

Jamna Auto Industries Limited

P.S. Jauhar

COO & Executive Director

DIN : 00744518

R.S. Jauhar

CEO & Executive Director

DIN : 00746186

Praveen Lakhera

Company Secretary & Head-Legal

Vivek Bhatia

Chief Financial Officer

Place: Gurgaon

Date: May 29, 2014

Place: New Delhi

Date: May 29, 2014

Statement of Profit and Loss

for the year ended March 31, 2014

(All amounts in Rupees lacs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
	Income			
I	Revenue from operations (gross)	19	80,453.09	94,202.41
	Less : excise duty		8,814.84	10,179.57
	Revenue from operations (net)		71,638.25	84,022.84
II	Other income	20	1,257.37	2,550.82
III	Total revenue		72,895.62	86,573.66
IV	Expenses			
	Cost of raw materials and components consumed	21	48,193.07	57,706.32
	(Increase)/ decrease in inventories of finished goods and work in progress	22	1,917.56	(1,032.11)
	Employee benefits expense	23	5,066.14	5,182.38
	Other expenses	24	13,480.64	16,315.54
	Total expenses		68,657.41	78,172.13
V	Profit before finance costs, depreciation/amortisation cost, exceptional items and prior period items		4,238.21	8,401.53
VI	Finance costs	25	2,069.53	2,228.84
VII	Depreciation and amortisation expense	26	2,485.39	2,819.94
VIII	(Loss) / Profit before exceptional items, prior period items and tax		(316.71)	3,352.75
	Exceptional items	27(a)	(1,755.76)	-
	Prior period items	27(b)	111.74	-
	Profit before tax		1,327.31	3,352.75
	Tax expense			
	Current tax		61.50	190.00
	Less : Minimum alternate tax credit entitlement		(58.45)	(190.00)
	Deferred tax expenses/ (credit)		(104.81)	438.25
	Total tax expense		(101.76)	438.25
	Profit for the year		1,429.07	2,914.50
	Earnings per equity share (par value Rs. 10 per share)	28		
	- Basic		3.52	7.25
	- Diluted		3.49	7.21
	[Earnings per equity share expressed in absolute amount in Indian Rupees]			

Significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E

For and on behalf of the Board of Directors of
Jamna Auto Industries Limited

per **Vikas Mehra**
Partner
Membership No.: 94421

P.S. Jauhar
COO & Executive Director
DIN : 00744518

R.S. Jauhar
CEO & Executive Director
DIN : 00746186

Praveen Lakhera
Company Secretary & Head-Legal

Vivek Bhatia
Chief Financial Officer

Place: Gurgaon
Date: May 29, 2014

Place: New Delhi
Date: May 29, 2014

Cash Flow Statement

for the year ended March 31, 2014

(All amounts in rupees lacs, unless otherwise stated)

	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash flow from operating activities		
Profit before tax but after prior period and exceptional items	1,327.31	3,351.89
Adjustments for:		
Depreciation	2,524.65	2,820.28
Loss on sale of fixed assets	53.37	6.53
Interest expense	1,233.99	1,172.32
Interest income from fixed deposits	(59.85)	(44.04)
Excess provision no longer required written back	(4.30)	(8.16)
Provision for doubtful advance	14.30	10.09
Provision for doubtful debts	21.54	41.52
Bad debts written off	149.67	164.61
Sundry balance written off	72.93	332.10
Amortisation of ancillary cost of arranging the borrowings	120.31	21.87
Exchange fluctuation loss - mark to market on forward exchange contracts	-	(226.78)
Exchange fluctuation loss - Unamortised premium on forward contract	-	197.00
Profit in share of limited liability partnership	(1,070.99)	(2,350.71)
Profit on sale of investment	(2,025.01)	-
Operating profit before working capital changes	2,357.92	5,488.52
Changes in operating assets and liabilities:		
Increase in provisions	77.45	89.60
Decrease in trade payables	(1,495.43)	(1,879.75)
Decrease in other current liabilities	(189.16)	(1.16)
(Increase)/decrease in trade receivables	(1,053.50)	929.34
(Increase)/decrease in inventories	3,177.43	(72.70)
(Increase)/decrease in loans and advances	(5.19)	(762.33)
Decrease in other assets	75.60	1,444.47
Cash generated from operations	2,945.12	5,235.99
Direct taxes paid / refund received (net)	61.89	(279.14)
Net cash generated from operations	3,007.01	4,956.85
B. Cash flow from investing activities		
Purchase of fixed assets	(1,251.96)	(3,014.43)
Proceeds from sale of fixed assets	72.17	104.59
Movement in fixed deposits	336.53	(31.79)
Investment in limited liability partnership (net)	604.93	2,391.47
Proceeds from sale of investment	2,550.00	-
Interest received	70.50	63.61
Net cash from / (used in) investing activities	2,382.17	(486.55)

C. Cash flow from financing activities		
Proceeds from issue of equity shares (including share premium)	2.30	44.83
Redemption of preference shares	(175.00)	-
Dividend paid (including dividend distribution tax Rs. 141.69 (previous year Rs. 165.95))	(958.79)	(1,207.57)
Proceeds from long term borrowings	6,500.00	1,931.55
Repayment of long term borrowings	(5,180.15)	(4,296.21)
Proceeds from / (repayment) of short term borrowings (net)	(4,061.43)	108.95
Payment of finance costs	(1,247.39)	(1,169.39)
Net cash from / used in financing activities	(5,120.46)	(4,587.84)
Net increase / (decrease) in cash and cash equivalents	268.73	(117.54)
Opening cash and cash equivalents	505.40	622.94
Closing cash and cash equivalents	774.13	505.40
Components of cash and cash equivalent:		
Cash in hand	4.01	7.31
Balances with scheduled banks		
- On current account	696.45	441.02
- Unpaid dividend account*	73.67	57.07
Total cash and cash equivalents (refer note 18)	774.13	505.40

Notes:

(a) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 – Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.

* The company can utilize these balances only toward settlement of the respective unpaid dividend

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E

For and on behalf of the Board of Directors of
Jamna Auto Industries Limited

per **Vikas Mehra**
Partner
Membership No.: 94421

P.S. Jauhar
COO & Executive Director
DIN : 00744518

R.S. Jauhar
CEO & Executive Director
DIN : 00746186

Praveen Lakhera
Company Secretary & Head-Legal

Vivek Bhatia
Chief Financial Officer

Place: Gurgaon
Date: May 29, 2014

Place: New Delhi
Date: May 29, 2014

Notes to the Financial Statements

for the year ended March 31, 2014

(All amounts in Rupees lacs, unless otherwise stated)

1 Corporate information

Jamna Auto Industries Limited (hereinafter referred to as 'the Company' or 'JAI') is a manufacturer of Tapered Leaf and Parabolic springs. The Company's manufacturing facilities are located at Malanpur, Chennai, Yamuna Nagar, Jamshedpur and Hosur.

2 Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed Assets are stated at cost net of accumulated depreciation. The cost comprises purchase price,

borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its booked value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation / amortisation

Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Depreciation on other fixed assets is calculated on a straight line basis using rates arrived at based on the useful lives estimated by the management which are same as under Schedule XIV to the Companies Act, 1956.

Fixed assets individually costing up to Rs. 0.05 are depreciated at the rate of 100 percent.

d) Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

e) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

f) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

1) Sales of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

2) Service income

Revenue from job work services is recognised on completion of services to be rendered.

3) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

4) Share of profit from LLP

Share of profit from LLP is recognised when the right to receive share of profit is established.

j) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k) Foreign exchange transactions**i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on retranslation of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses.

l) Employee benefits

i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

ii) The Company operates one defined benefit plan for its employees i.e. gratuity. The cost of providing benefits under the plan are determined and recognised on the

basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Income taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income

will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

n) Employee stock compensation cost

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions

at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

o) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying

economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company

does not recognize a contingent liability but discloses its existence in the financial statements.

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

Notes to the Financial Statements

for the year ended March 31, 2014

(All amounts in Rupees lacs, unless otherwise stated)

3 Share capital

	As at March 31, 2014	As at March 31, 2013
Authorised share capital (amount per share in absolute rupees)		
63,886,500 (Previous year 63,886,500) equity shares of Rs. 10 each	6,388.65	6,388.65
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	350.00	350.00
Total	6,738.65	6,738.65
Issued, subscribed and paid up equity shares (amount per share in absolute rupees)		
Subscribed and fully paid (39,485,969 (Previous year 39,482,219) equity shares of Rs. 10 each)	3,948.60	3,948.22
Subscribed but not fully paid (30,645 (Previous year 30,645) equity shares of Rs. 10 each, amount called up Rs. 10 each)	3.06	3.06
Less: Call in arrears (Held by other than directors)	(1.52)	(1.52)
Issued, subscribed and fully paid up preference shares (amount per share in absolute rupees)		
175,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference share of Rs. 100 each	175.00	350.00
	4,125.14	4,299.76

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2014		March 31, 2013	
Equity Share - Subscribed and fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	39,482,219	3,948.22	39,382,816	3,938.28
Add : Fresh allotment of share (under ESOP scheme (refer note 39)	3,750	0.38	99,403	9.94
At the end of the year	39,485,969	3,948.60	39,482,219	3,948.22
Equity Share - Subscribed but not fully paid up				
At the beginning and end of the year	30,645	3.06	30,645	3.06
Preference Shares				
At the beginning of the year	350,000	350.00	350,000	350.00
Less : Redemption during the year	175,000	175.00	-	-
At the end of the year	175,000	175.00	350,000	350.00

b. Term and Rights attached to equity shares

The Company has only one type of equity shares having par value of Rs. 10 (absolute amount) each per share. Each shareholder is entitled to one vote per share. The Company pays and declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to

prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2014, the Company has declared final dividends of Rs. 1 (absolute amount) (previous year Rs.2 (absolute amount)) per share.

c. Terms and rights of Preference shares including the terms of conversion/redemption

The preference shares were issued to IFCI pursuant to the debt restructuring scheme entered between erstwhile Jai Parabolic Springs Limited and IFCI Limited. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. The preference share are redeemable in two instalments of Rs. 175 each, out of which first instalment was redeemed during the year on October 1, 2013 and second instalment is due for redemption on October 1, 2014. The preference shares are not entitled to any voting rights.

d. Details of shareholders holding more than 5% shares in the company

	March 31, 2014		March 31, 2013	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity Shares of Rs. 10 each fully paid				
Clearwater Capital Partners Cyprus Limited	9,614,147	24.33%	9,614,147	24.33%
MAP Auto Limited (erstwhile Randeep Investment Private Limited)*	-	-	7,061,390	17.87%
MAP Auto Limited	11,773,899	29.79%	4,624,711	11.70%
NHK Springs Co. Limited	2,308,509	5.84%	2,308,509	5.84%
Preference Shares of Rs. 100 each fully paid				
IFCI Limited	175,000	100%	350,000	100%

* During the year, Randeep Investment Private Limited merged with MAP Auto Limited

e. Shares reserved for issue under Options and contracts/commitments for the sale of shares/ disinvestment, including the terms and amounts

The Company provides shares based payment schemes to its employees. During the year ended March 31, 2014, an employee stock option scheme was in existence and 324,785 stock options (Previous year: 621,500) can be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note on ESOP 39.

f. Forfeited shares (amount originally paid up, included in capital reserve)

	March 31, 2014		March 31, 2013	
	No of shares	Amount	No of shares	Amount
Equity share capital (28,190 equity shares (Previous year 28,190) of Rs. 10 each, amount called up Rs. 10 each (Previous year 28,190 equity shares of Rs. 10 each, amount called up Rs. 10 each)). (Amount per share is in absolute Indian Rupees)	28,190	1.45	28,190	1.45
	28,190	1.45	28,190	1.45

h. Share application money pending allotment

	March 31, 2014		March 31, 2013	
	No of shares	Amount	No of shares	Amount
Shares proposed to be issued	500	-	-	-
Fully paid up value of shares	-	0.05	-	-
Premium on shares proposed to be issued	-	0.22	-	-
	500	0.27	-	-

The Share application money pending allotment includes amount received from an employee against the employee stock option plan. Such money was received on January 10, 2014 and the corresponding shares will be allotted in the next compensation committee meeting.

4 Reserves and surplus

Particulars	As at March 31, 2014	As at March 31, 2013
Capital reserve (refer note (a) below)	315.71	315.71
Capital redemption reserve		
Balance as per the last financial statements	50.00	50.00
Transferred from general reserve during the year [^]	175.00	-
Closing balance	225.00	50.00
Securities premium account		
Balance as per the last financial statements	14,969.10	14,931.49
Add : Premium on issue of shares	1.65	37.61
Closing balance	14,970.75	14,969.10
Amalgamation reserve	1,481.46	1,481.46
General reserve		
Balance as per the last financial statements	4,427.62	4,136.25
Add : Amount transferred from the balance in the Statement of profit and loss	-	291.36
Less : Amount transferred to Capital Redemption reserve [^]	(175.00)	-
Closing balance	4,252.62	4,427.61
Deficit in the Statement of profit and loss		
Balance as per the last financial statements	(7,886.98)	(9,532.58)
Add: Profit for the year	1,429.07	2,914.50
Less: Appropriations		
Transferred to general reserve	-	291.36
Proposed equity dividend (refer note (c) below)	395.04	789.95
Final dividend paid	-	1.27
Proposed preference dividend (refer note (b) below)	32.81	43.75
Tax on equity dividend	67.14	134.25
Tax on preference dividend	5.32	7.44
Net surplus/(deficit) in the Statement of Profit and Loss	(6,958.22)	(7,886.10)
Total reserves and surplus	14,287.32	13,357.78

- (a) Includes Rs. 150 representing 10% of the issued price of 2,083,333 convertible warrants as application money received towards the subscription of such warrants by the promoters in erstwhile Jai Parabolic Springs Limited. Such application money was forfeited in accordance with SEBI guidelines on the expiry of 18 months from the date of issue. It also includes Rs. 97 representing application money received towards the subscription of 1,343,210 convertible warrants allotted to MAP Auto Limited. Such application money was forfeited on 27 June 2007.
- (b) The Board of Directors have recommended preference dividend amounting to Rs. 32.81 relating to the year ended March 31, 2014 (Previous year: Rs. 43.75) in the Board meeting held on May 29, 2014. The same is subject to approval of shareholders.
- (c) The Company has declared a final dividend of Re. 1 (absolute amount) (previous year Rs. 2 (absolute amount)) per equity share for the year, subject to the approval of shareholders.

[^] Represents reserves created on account of redemption of Preference shares during the year.

5 Long-term borrowings

		Non-current portion		Current maturities	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured loans#					
From banks					
- Term loans		1,784.07	1,274.00	1,371.38	1,948.62
- Working capital term loan		3,950.00	2,000.00	1,781.05	1,000.00
- Vehicle loans		62.41	58.51	38.94	30.73
- Term loans		-	-	-	429.00
	(A)	5,796.48	3,332.51	3,191.37	3,408.35
Unsecured:					
- Working capital term loan from bank##		-	-	-	476.62
- Deferred sales tax loan		347.78	782.76	435.89	439.31
	(B)	347.78	782.76	435.89	915.93
Total (A+B)		6,144.26	4,115.27	3,627.26	4,324.28
Less: Amount disclosed under the head "other current liabilities" (note 11)		-	-	(3,627.26)	(4,324.28)
Net amount		6,144.26	4,115.27	-	-

(All Amounts in Lacs)

#	Security terms	Repayment terms and rate of interest
A	ICICI Bank Ltd (Rs. Nil (previous year Rs. 394.74))	
	<p>(a) First pari passu charge on all movable fixed assets of the Company situated at Malanpur Plant (excluding one parabolic line of value not exceeding Rs.350), Yamuna Nagar Plant and Jamshedpur Plant.</p> <p>(b) First pari passu charge on all immovable properties including all the plant and machinery at Malanpur, Jamshedpur, Yamuna Nagar and Chennai.</p> <p>(c) Second pari passu charge with other lenders on Chennai plant</p> <p>(d) Second pari passu charge on the current assets of the company.</p> <p>(e) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms: 19 equal quarterly instalments of Rs. 131.58 each commencing from 12 months from the date of first disbursement i.e. 30.06.2008</p> <p>Rate of interest: The rate of interest shall be 2.55% per annum below the sum of ICICI Bank Benchmark advance rate ('IBAR') and six months term premia. The same shall be reset at the end of every six months from the date of disbursement based on then prevailing IBAR. The rate of interest is 15.75%</p>
B	ICICI Bank Ltd (Rs. 713.32 (previous year Rs. 1,188.87))	
	<p>(a) First pari passu charge with the other lenders on the fixed assets of the Company except the Chennai plant and on any asset exclusively charged to other lenders.</p> <p>(b) Second pari passu charge with other lenders on Chennai plant</p> <p>(c) Second pari passu charge with other lenders on the current assets of the company.</p> <p>(d) Unconditional and irrevocable personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms: 16 equal quarterly instalments of Rs. 56.25 each commencing from 12 months from the date of first disbursement i.e. November 2011, 14 equal quarterly instalments of Rs. 35.71 each commencing from May 2012 and 13 equal quarterly instalments of Rs. 26.92 each commencing August 2012.</p> <p>Rate of interest: Rate of interest shall be sum of I-base and spread of 4.3% per annum, subject to minimum rate of I-base p.a. The rate of interest varies from 14.00% to 14.50%</p>

C	State Bank of India (Rs. 1,317.62 (previous year Rs. 3.750.11))	
	<p>(a) First pari passu charge with the other lenders on the entire fixed assets of the Company except the Chennai plant.</p> <p>(b) Second pari passu charge with other lenders on the fixed assets of Chennai Plant</p> <p>(c) Second pari passu charge with other lenders on the current assets of the company.</p> <p>(d) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.</p> <p>(e) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Capex term loan from State Bank of India Repayment terms 16 equal quarterly instalments of 187.50 commencing from the end of moratorium period i.e October 2011 Rate of interest: 5.25% above the base rate. The interest rate ranges from 13.30% to 14.35%</p> <p>Working capital term loan from State Bank of India Repayment terms 10 quarterly instalments, whereby first eight of Rs. 250.00 lacs and next two of 500.00 lacs each. The outstanding loan balance shall be paid in 1 instalment of Rs. 431.05 lacs. Rate of interest: 4% above the base rate. The interest rate ranges from 13.95% to 15.00%.</p>
D	IFCI Limited (Rs. Nil (previous year Rs. 429.00))	
	<p>(a) First pari passu charge on the immovable properties of the Chennai Plant.</p> <p>(b) First pari passu charge on the whole of the movable including movable plant and machinery and other movable (except book debts) situated at Company's plant at Chennai.</p> <p>(c) Second pari passu charge on the immovable properties of the Company at Yamuna Nagar, Jharkhand and Malanpur</p> <p>(d) Second pari passu charge on the movable properties of the company at Yamuna Nagar, Jharkhand and Malanpur</p> <p>(e) Personal Guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms: The quarterly repayment has commenced from 1 January 2011 payable from 7 quarterly instalments of Rs. 98.00, 4 quarterly instalments of Rs. 141.00 and 2 quarterly instalments of Rs. 144.00.</p> <p>Rate of interest: The rate of interest is 20% post 1 October 2010.</p>
E	Kotak Mahindra Bank (Rs. 555.56 (previous year Rs. 888.89))	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 36 equal monthly instalments of Rs. 27.78 each starting from the end of 1st month of first disbursement of term loan i.e. December 2012</p> <p>Rate of interest: The rate of interest is 12.5%.</p>

(All Amounts in Lacs)

F	Kotak Mahindra Bank (Rs. 1,800.00 (previous year Rs. Nil))	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs. 66.67 each starting from the end of 6 months from disbursement of term loan i.e. Jun 2013</p> <p>Rate of interest: The rate of interest is 12.5%.</p>
G	Kotak Mahindra Bank (Rs. 1,500.00 (previous year Rs. Nil))	
	<p>(a) Exclusive mortgage charge on the Hosur plant</p> <p>(b) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs. 50 each starting from the end of 6 months from disbursement of term loan i.e. March 2014</p> <p>Rate of interest: The rate of interest is 12.5%.</p>
H	SBER Bank (Rs. 2,000.00 lacs (previous year Rs. Nil))	
	<p>(a) First pari passu charge on the movable and immovable fixed assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower for value not less than Rs. 2,000 and with a fixed asset coverage ratio of not less than Rs. 3,000.</p> <p>(b) Second pari passu charge on the movable and immovable fixed assets at Chennai.</p> <p>(c) Corporate guarantee of Jai Suspensions Systems LLP.</p> <p>(d) Second pari passu charge on the current assets of the Company.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs. 250.00 each starting from the end of 15th month from disbursement of term loan i.e. December 2013</p> <p>Rate of interest: The rate of interest is 13.50%.</p>
I	HDFC Bank (Rs. 1,000 (previous year Rs. Nil))	
	<p>(a) First pari passu charge on all present and future fixed assets of the Company i.e. Malanpur, Jamshedpur and Yamuna Nagar Plants excluding Chennai Plant.</p> <p>(b) Second pari passu on current assets of the Company both present and future</p> <p>(c) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p> <p>(d) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs. 125 each starting after 1 year from disbursement of term loan i.e. March 2014</p> <p>Rate of interest: The rate of interest is bank rate plus 1.95%, current rate being 11.95%</p>

(All Amounts in Lacs)

J	Vehicle loan (Rs. 101.35 (previous year Rs. 89.24)) Vehicle loans are secured by the hypothecation of the specific vehicles. The loans are repayable in equated monthly / quarterly instalments in accordance with terms and conditions of loan agreement. The period of loan ranges from 3 to 5 years and interest rate ranges from 10.00 % to 12.50 %
K	Deferred sales tax loan (Rs. 783.67 (previous year Rs. 1,222.07)) As per the eligibility certificate issued, the Company is eligible for waiver of deferred sales tax repayable over the period from 1 March 2010 to 28 February 2019 and is unsecured and interest free.
##	The working capital term loan from Kotak Mahindra Bank (Rs. Nil (Previous year : Rs. 476.62)) is an unsecured facility and shall be repaid in 24 equal instalments of Rs. 70.96 and 25th instalment of Rs. 71.05. The instalment is inclusive of interest @ 12.5% per annum.

6 Deferred tax liability (net)

	As at March 31, 2014	As at March 31, 2013
Deferred tax liability		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	2,007.97	1,969.39
Less : Deferred tax asset		
Brought forward losses as per tax laws	378.89	290.20
Provision for bad and doubtful debts	10.69	-
Others	165.02	121.02
Total deferred tax asset	554.60	411.22
Deferred tax liability (net)	1,453.37	1,558.17

7 Other Long term liabilities

Security deposit	6.63	7.02
Total	6.63	7.02

8 Provisions

	Long-term		Short-term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Provision for employees benefits				
Provision for leave encashment	144.07	112.27	40.44	11.30
Provision for gratuity (Refer note no. 42)	149.39	122.85	14.91	24.94
	293.46	235.12	55.35	36.24
Other provisions				
Provision for proposed equity dividend	-	-	395.04	789.95
Provision for proposed preference dividend	-	-	32.81	43.75
Tax on proposed equity dividend	-	-	67.14	134.25
Tax on proposed preference dividend	-	-	5.32	7.44
	-	-	500.31	975.39
Total	293.46	235.12	555.66	1,011.63

9 Short term borrowings

	As at March 31, 2014	As at March 31, 2013
Buyer's credit from bank #	825.09	922.41
Bill discounting facility from banks	-	1,976.23
Purchase order finance facility	-	2,000.00
	825.09	4,898.64
Total above amount includes		
Secured borrowings #	825.09	922.41
Unsecured borrowings	-	3,976.23
	825.09	4,898.64

Buyers credit is a part of the term loan facility from ICICI Bank and Kotak Mahindra Bank. For details of security, refer note no 5 on security related to term loans from banks. Additional security details related to working capital loan from ICICI bank refer below:

- First pari pasu charge on the entire current assets of the Company both present and future with other member bank of the consortium.
- Second pari pasu charge along with other banks over immovable properties and fixed assets Malanpur, Yamuna Nagar, Jamshedpur and Chennai units both present and future.
- Unconditional and irrevocable personal guarantees of Mr R. S. Jauhar, CEO & Executive Director and Mr P. S. Jauhar, COO & Executive Director.
- Pledge of 15 Lacs shares of Promoters to be shared on pari passu with other working capital lenders

10 Trade payables

	As at March 31, 2014	As at March 31, 2013
Trade payables (including acceptances Rs. 14,624.71 (previous year Rs. 11,138.50)) (Refer to note (a) below)	18,471.75	19,962.88
Total	18,471.75	19,962.88

11 Others current liabilities

	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term borrowing (Refer note 5)	3,627.26	4,324.28
Interest accrued but not due on borrowings	54.37	65.76
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividends	73.67	57.07
Other payables		
Creditors towards fixed assets (Refer to note (a) below)	42.15	123.00
Service tax payable	0.94	0.63
Sales tax payable	71.91	51.02
TDS payable	59.06	89.96
PF and ESI payable	37.38	37.46
Other payable	18.13	22.78
Total	3,984.87	4,949.64
Grand total	22,456.62	24,912.52

Note (a): Details of dues to micro and small enterprises defined under the MSMED Act, 2006

Based on the information presently available with the Company, there are no dues outstanding as at the year end or interest payable / paid on delays in payment to micro and small enterprises covered under the Micro, Small and Medium Enterprise Development Act 2006.

12 (a) Fixed assets

As at March 31, 2014

Particulars	Gross Block			Accumulated depreciation			Net block	
	As at April 1, 2013	Additions during the year	Sale/ adjustment during the year	As at March 31, 2014	As at April 1, 2013	Depreciation / amortisation charged for the year	As At March 31, 2014	As at March 31, 2013
Tangible fixed assets								
Freehold land	2,771.29	-	-	2,771.29	-	-	2,771.29	2,771.29
Leasehold land (Refer note no. 45)	962.33	1.25	-	963.58	25.86	16.76	920.96	936.47
Factory building	5,506.02	24.68	0.58	5,530.12	1,191.79	175.91	4,162.42	4,314.23
Office building	62.47	-	-	62.47	3.84	1.02	57.61	58.63
Plant and machinery	29,764.83	1,718.31	1,450.83	30,032.31	13,210.60	1,777.33	13,623.77	16,554.23
Furniture and fixtures	138.70	7.10	49.71	96.09	102.85	8.53	64.49	35.85
Vehicles	500.09	58.05	79.17	478.97	182.85	64.65	178.82	317.24
Office equipment	347.88	26.85	85.15	289.58	168.72	35.17	142.47	179.16
Computer hardware	416.58	112.23	103.68	425.13	331.82	72.63	102.43	84.76
Total	40,470.19	1,948.47	1,769.12	40,649.54	15,218.33	2,152.00	15,726.75	25,251.86
Intangible assets								
Goodwill	921.02	-	-	921.02	921.02	-	921.02	-
Computer software	405.95	46.64	-	452.59	233.16	87.73	131.70	172.79
Copyrights	3,497.58	-	-	3,497.58	3,212.77	284.92	(0.11)	284.81
Total	4,824.55	46.64	-	4,871.19	4,366.95	372.65	4,739.60	457.60
Grand Total	45,294.74	1,995.11	1,769.12	45,520.73	19,585.28	2,524.65	20,466.35	25,709.46

As at March 31, 2013

Particulars	Gross block			Accumulated depreciation			Net block		
	As at April 1, 2012	Additions during the year	Sale/ adjustment during the year	As at March 31, 2013	As at April 1, 2012	Depreciation/ Amortisation charged for the year	Sales / adjustments during the year	As at March 31, 2013	As at March 31, 2012
Tangible fixed assets									
Freehold land	1,304.77	1,466.52	-	2,771.29	-	-	-	2,771.29	1,304.77
Leasehold land	81.23	881.10	-	962.33	14.48	11.38	-	936.47	66.75
Factory building	4,413.45	1,102.80	10.23	5,506.02	1,048.15	148.15	4.51	4,314.23	3,365.30
Office building	62.47	-	-	62.47	2.82	1.02	-	58.63	59.65
Plant and machinery	23,491.12	7,223.30	949.59	29,764.83	12,138.71	1,940.91	869.02	16,554.23	11,352.41
Furniture and fixtures	136.20	5.26	2.76	138.70	97.52	7.44	2.11	35.85	38.68
Vehicles	423.11	125.25	48.27	500.09	174.69	38.97	30.81	317.24	248.42
Office equipment	337.02	32.64	21.78	347.88	157.51	27.61	16.40	179.16	179.51
Computer hardware	405.94	29.76	19.12	416.58	321.12	28.48	17.78	84.76	84.82
Total	30,655.31	10,866.63	1,051.75	40,470.19	13,955.00	2,203.96	940.63	25,251.86	16,700.31
Intangible fixed assets									
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-
Computer Software	404.94	1.01	-	405.95	153.41	79.75	-	172.79	251.53
Copyrights	3,497.58	-	-	3,497.58	2,676.53	536.24	-	284.81	821.05
Total	4,823.54	1.01	-	4,824.55	3,750.96	615.99	-	4,366.95	1,072.58
Grand Total	35,478.85	10,867.64	1,051.75	45,294.74	17,705.96	2,819.95	940.63	25,709.46	7,772.89

Note 12 (b): Capitalization of expenditure

During the year, the Company has capitalised the following expenses attributable to fixed assets. Consequently, expenses disclosed under the respective notes are net of the amounts capitalised by the Company.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Finance cost	-	1,686.50
Salary, wages and bonus	-	118.75
Consumption of stores and consumables	170.78	391.30
Others expenses	31.72	133.52
Total	202.50	2,330.07

13 Investments

	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Long term non-trade investments (valued at cost)				
Investment in equity instruments (unquoted) *				
Nil (previous year: 5,249,920) equity share of Rs. 10 (absolute amount) each fully paid-up in NHK Spring India Limited	-	-	-	524.99
Investment in limited liability partnership				
99.9975% share in Jai Suspension Systems LLP	2,090.90	1,624.84	-	-
Total	2,090.90	1,624.84	-	524.99

* During the year, the Company has sold off 5,249,920 shares of NHK Springs India Limited at an agreed price of Rs. 2,550.

Details of investment in partnership firm		
Investment in Jai Suspension System LLP		
Name of Partner	As at March 31, 2014	As at March 31, 2013
Share of partner in profits (%)		
Jamna Auto Industries Limited	99.99850%	99.99750%
Mr. H S Gujral	-	0.00100%
Mr. Shakti Goyal	0.00075%	0.00075%
Mr. Ashok Kumar Goyal	0.00075%	0.00075%
Total capital of the firm	2,091.07	1,625.03

14 Loan and advances (unsecured, considered good, unless otherwise stated)

	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Capital advances				
Unsecured considered good	124.78	153.91	-	-
Unsecured considered doubtful	5.61			
Security deposits	308.99	303.48	6.50	5.45
Advances recoverable in cash or in kind				
Advance to suppliers - considered good	-	-	184.93	705.89
- considered doubtful	41.52	41.52	-	-
Advance income tax (net)	299.75	346.06	-	-
Minimum alternate tax credit	1,344.00	1,354.25	-	-
Prepaid expenses	-	0.27	74.64	83.31
Advance to employees	-	-	38.93	38.37
Balance with sales tax authorities	235.29	100.70	443.56	16.27
Balance with excise authorities	-	-	393.84	470.97
Other recoverable in cash or kind	-	45.50	59.50	52.39
	1,920.56	1,888.30	1,195.40	1,367.20
Less :- Provision for doubtful advances	(47.14)	(41.52)	-	-
Total	2,312.80	2,304.17	1,201.90	1,372.65

15 Other assets

	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Non current bank balances (note 18)	18.51	9.88	-	-
Unamortised expenditure				
Ancillary cost of arranging the borrowings	13.61	84.57	45.06	96.42
	13.61	84.57	45.06	96.42
Others				
Interest accrued on fixed deposits	4.06	10.70	-	4.01
DEPB receivable	-	-	5.18	9.63
Unbilled revenue	-	-	10.80	81.95
	4.06	10.70	15.98	95.59
Total	36.18	105.15	61.04	192.01

16 Inventories

	As at March 31, 2014	As at March 31, 2013
Raw material and components [includes goods in transit: Rs. 795.20 (previous year: Rs. 441.57)]	2,210.31	2,806.49
Component	590.37	1,032.67
Work-in-progress	2,429.51	4,385.51
Finished goods [includes goods in transit Rs. 940.83 (Previous year: 645.75)]	1,873.26	1,833.58
Stores and spares	614.31	835.70
Scrap	29.02	30.26
Total	7,746.78	10,924.21

17 Trade receivables

	As at March 31, 2014	As at March 31, 2013
- Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12.83	24.87
Unsecured, considered doubtful	31.46	10.09
	44.29	34.96
- Other receivables		
Unsecured, considered good	10,472.19	9,577.86
Less: Provision for doubtful debts	(31.46)	(10.09)
Total	10,485.02	9,602.73
Trade receivables include receivable from subsidiary		
- Jai Suspension Systems LLP (refer note 35 on related party)	3,348.31	3,614.67

18 Cash and bank balances

	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents				
Balance with banks				
On current account	-	-	696.45	441.02
On unpaid dividend account	-	-	73.67	57.07
Cash on hand	-	-	4.01	7.31
	-	-	774.13	505.40
Other bank balances				
Deposits with bank with more than 12 months #	1.14	9.88	5.77	-
Deposits with bank with more than 3 months and less than 12 months *	-	-	254.14	589.13
Margin money deposits	17.36	-	-	15.93
Total	18.50	9.88	259.91	605.06
Amount disclosed under non-current assets (Refer note 15)	(18.50)	(9.88)	-	-
Total	-	-	1,034.04	1,110.46

* Includes fixed deposit kept as margin money Rs. 254.14 (previous year Rs. 520.82)

Includes fixed deposit kept as margin money Rs. 6.91 (previous year Rs. 5.83)

19 Revenue from operations

	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of products - finished goods	77,965.53	90,980.98
Sale of services	644.17	913.67
Other operating revenue		
- Scrap sale	1,843.39	2,307.76
Revenue from operations (gross)	80,453.09	94,202.41
Less : Excise duty*	8,814.84	10,179.57
Revenue from operations (net)	71,638.25	84,022.84

* Excise duty on sales amounting to Rs. 8,814.84 (previous year Rs. 10,179.57) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease in stock amounting to Rs. 2.84 (previous year Rs. (45.69) has been considered as expense/(income) in note 24 of financial statements.

Details of product sold		
Leaf springs (conventional and parabolic)	76,562.81	90,405.45
Lift Axle	1,402.73	575.53
	77,965.54	90,980.98
Details of services rendered		
Job work	644.17	913.67

20 Other Income

Interest income on bank deposits	59.85	44.04
Share in profit of limited liability partnership	1,070.99	2,350.71
Excess provision written back	4.30	8.16
Miscellaneous income	122.23	147.91
	1,257.37	2,550.82

21 Raw Material and Components Consumed

	For the year ended March 31, 2014	For the year ended March 31, 2013
Inventory at the beginning of the year	3,839.16	4,991.45
Add : Purchases during the year	47,154.59	56,554.03
Less : Inventory at the end of the year	2,800.68	3,839.16
Cost of materials consumed (refer note no 43)	48,193.07	57,706.32
Details of Raw material and components consumed		
Steel flats	44,637.12	54,032.81
Bushes	1,167.14	1,836.65
Others	2,388.81	1,836.86
	48,193.07	57,706.32
Details of inventory		
Raw material and components		
Steel flats	2,210.31	2,806.49
Bushes	97.43	228.71
Others	492.94	803.96
	2,800.68	3,839.16

22 Changes in inventory of finished goods and work in progress

	For the year ended March 31, 2014	For the year ended March 31, 2013
Inventories at the end of year		
- Finished goods	1,873.26	1,833.58
- Work in progress	2,429.51	4,385.51
- Scrap	29.02	30.26
Total	4,331.79	6,249.35
Inventories at the beginning of year		
- Finished goods	1,833.58	2,201.57
- Work in progress	4,385.51	3,007.55
- Scrap	30.26	8.12
Total	6,249.35	5,217.24
Decrease/ (increase) in inventory	1,917.56	(1,032.11)
Detail of inventory		
Finished goods		
Leaf springs (conventional and parabolic)	1,859.00	1,793.44
Lift Axle	14.26	40.14
	1,873.26	1,833.58
Work in Progress		
Leaf springs (conventional and parabolic)	2,377.57	4,357.13
Lift Axle	51.94	28.38
	2,429.51	4,385.51

23 Employee benefits expense

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, wages and bonus	4,618.48	4,625.22
Gratuity expense (refer note 42)	16.51	60.86
Contribution to provident and other funds	230.20	233.45
Staff welfare expenses	200.95	262.85
Total	5,066.14	5,182.38

24 Other expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	2,510.14	2,944.83
Power and fuel	6,742.81	8,248.54
Job charges	780.13	773.27
Increase/(decrease) in excise on finished goods	2.84	(45.69)
Rent (Refer note 37)	154.32	136.08
Repair and maintenance		
- Repairs to buildings	75.54	80.41
- Repairs to machinery	35.25	93.97
- Repairs to others	114.97	93.84
Rates and taxes	68.53	58.65
Travelling and conveyance	330.09	395.00
Legal and professional expenses	401.07	474.28
Payment made to auditors (Refer note 34)	37.47	35.87
Loss on sale of fixed assets (net)	53.37	6.53
Sundry balance written off	72.93	332.10
Provision for doubtful advance	14.30	41.52
Provision for doubtful debts	21.54	10.09
Bad debts written off	149.67	164.61
Freight, forwarding and packing	789.20	1,215.47
Sales promotion and advertisement	229.13	387.07
Selling expenses	279.03	214.93
Security charges	16.38	18.24
Donation	6.86	10.16
Royalty	58.15	25.64
Exchange fluctuation loss (net)	200.57	135.38
Miscellaneous expenses	336.35	464.75
Total	13,480.64	16,315.54

25 Finance costs

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest to banks	1,233.99	1,172.32
Amortisation of ancillary borrowing costs	120.31	21.88
Bank charges	715.23	1,034.64
Total	2,069.53	2,228.84

26 Depreciation and amortisation expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Depreciation on tangible assets	2,115.16	2,203.56
Amortisation on intangible assets	370.23	616.38
Total	2,485.39	2,819.94

27 (a) Exceptional items

	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit on sale of investment*	(2,025.01)	-
Depreciation on custom duty capitalised on surrender of EPCG license**	39.26	-
Interest on surrender of EPCG licences **	229.99	-
	(1,755.76)	-

* Represents profit on sale of investments in NHK Spring India Limited

** During the year, Company has surrendered some of its EPCG licences and has paid duty and interest amounting to Rs. 58.26 and Rs. 229.99 respectively. Amount of duty has been capitalised as part of respective fixed assets and depreciated from the date of put to use of respective assets.

27 (b) Prior period expenditure

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cost of raw material consumed	61.42	-
Freight	22.11	-
Rates and taxes	16.50	-
Miscellaneous expenses	11.71	-
	111.74	-

28 Contingent liability

	As at March 31, 2014	As at March 31, 2013
i. Income Tax	954.85	954.85
ii. Claims against company not acknowledged as debts	336.56	704.86
iii. Custom and Excise duty / Service tax	46.03	46.03
iv. Sales tax	6.37	6.37
v. Guarantee given by the Company	5,000.00	5,000.00
vi. Bank Guarantee	41.81	41.81
vii. Import of machinery under Export Promotion of Capital Goods scheme	-	383.21
	6,385.62	7,137.13

In relation to i above income tax matters contested by the company comprise of

- 1) With respect to assessment year 2005-06, 2006-07 and 2008-09 the assessing officer has added to the income of the Company notional interest amounting to Rs. 92.61 on certain interest free deposits given by it. Tax impact of the same is Rs. 31.47. The Company has preferred an appeal with CIT (A) and based on internal assessment and outcome of similar matter for other year is confident of a favourable decision.
- 2) With respect to assessment year 2008-09 and 2009-10 the assessing officer has disallowed certain expenses amounting to Rs. 116.67 on adhoc basis. Tax impact of the same is Rs. 39.66. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with its legal counsel is confident of a favourable decision.
- 3) With respect to assessment year 2009-10 the assessing officer has increased income of the Company by Rs. 2,560.85 contending that the Company has concealed production and sales to that extent. Tax impact of the same is Rs. 870.43. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with legal counsel, the management is confident of a favourable decision.
- 4) With respect to assessment year 2008-09 the assessing officer has disallowed certain penalties amounting to Rs. 18.29 which were already disallowed by the Company while filing its return of income. Tax impact of the same is Rs. 6.22. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with legal counsel, the management is confident of a favourable decision.
- 5) With respect to assessment year 2010-11 the assessing officer has disallowed certain expenses amounting to Rs. 20.80 on various basis. Tax impact of the same is Rs.7.07. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with its legal counsel is confident of a favourable decision.

In relation to iii above Custom and excise matters contested by the company comprise of

- 1) Matter pending with Central Excise and Service tax appellate tribunal (CESTAT) in respect of Cenvat Credit availed by the Company on Additional Duty of Custom paid while import material during the year 2008-09. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The Amount involved is Rs. 40.24 (previous year Rs. 40.24)
- 2) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Company on service tax paid on charges of Custom House Agent for export of finished goods after clearance from the factory for the period from November 2005 to March 2010. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 2.62 (previous year Rs. 2.62)
- 3) Matter pending with Commissioner Appeal in respect of Cenvat Credit avail by the Company on service tax paid to the transport agency for outward transportation of the goods for the period 2010 -2011. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 3.17 (previous year Rs. 3.17)

In relation to iv above sales tax matters contested by the company comprise of

- 1) Matter pending with High court Allahabad in respect of penalty demanded by sales tax department against incomplete information in form 38 for the year 2009. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 6.37 (previous year Rs. 6.37)

29 Commitments

	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	97.88	45.27
Lease Commitments (refer note 37 below)	-	12.07
	97.88	57.34

30 Dividend remitted in foreign currency

	For the year ended March 31, 2014	For the year ended March 31, 2013
Number of non-resident shareholders	2.00	2.00
Number of equity shares held on which dividend was due	2,608,509	2,608,509
Amount remitted in foreign currency	52.17	39.13

31 Value of import on C.I.F basis

	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw material	256.90	1,248.31
Components and spare parts	305.71	354.00
Capital goods	-	684.46
	562.61	2,286.77

32 Expenditure in foreign currency (accrual basis)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Legal and professional charges	51.14	153.11
Travelling and conveyance	78.17	36.25
Royalty	58.15	25.64
	187.46	215.00

33 Earning in foreign currency

	For the year ended March 31, 2014	For the year ended March 31, 2013
Export at F.O.B. value	754.03	504.36
	754.03	504.36

34 Payment to auditors (excluding service tax)

	For the year ended March 31, 2014	For the year ended March 31, 2013
As auditor		
- Audit fee	15.00	13.50
- Limited review fees	14.00	16.00
As other capacity		
- Other services	5.25	2.00
Reimbursement of expenses	3.22	4.37
	37.47	35.87

35 Related party disclosures

Names of related parties and related party relationship

I. Parties where control exists

Jai Suspension Systems LLP

II. Related parties with whom transactions have taken place during the year

A. Associates

MAP Auto Limited

B. Key managerial personnel and their relatives

Mr. B.S. Jauhar

Chairman

Mr. R.S. Jauhar

CEO and Executive Director

Mr. P.S. Jauhar

COO and Executive Director

Mr. S.P.S. Kohli up to 30th May 2013

President and Executive Director

Mr. H. S. Gujral wef 31st May 2013

Executive Director

C. Relatives of key managerial personnel

Mrs. Khem Kaur

Relative of key managerial personnel

Mrs. Sonia Jauhar

Relative of key managerial personnel

Mrs. Kiran Chadha

Relative of key managerial personnel

III. Enterprises controlled, owned or significantly influenced by individuals having significant influence over the Company or their relatives

Jamna Agro Implements Private Limited

S.W. Farms Private Limited

Randeep Investment

Map Auto Limited

Winthrop Marketing up to 30th May 2013

B S Jauhar (HUF)

a) Transactions with related parties

Transactions during the year	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of goods		
Jai Suspension Systems LLP	24,644.37	23,759
Sale of fixed assets		
Jai Suspension Systems LLP	42.54	-
MAP Auto Limited	-	14.16
Purchase of goods		
Jai Suspension Systems LLP - Purchase	64.32	-
Services rendered (Job Work)		
Jai Suspension Systems LLP	632.75	1,193.76
Services received		
- Freight, forwarding and packaging		
MAP Auto Limited	391.52	679.94
- Commission expense		
Winthrop Marketing	2.24	12.20
- Job Charges		
Jamna Agro Implements Private Limited	74.49	56.22
MAP Auto Limited	239.78	82.78
Expenses reimbursement		
Jai Suspension Systems LLP	42.35	-
Managerial remuneration		
Mr. R.S. Jauhar	140.30	122.71
Mr. P.S. Jauhar	146.99	111.28
Mr. S.P.S.Kohli	-	89.70
Mr. H S Gujral	11.70	-
Remuneration to others		
Mrs. Kiran Chadha	18.16	21.83
Profit in share of profits of LLP		
Jai Suspension Systems LLP	1,070.99	2,350.71
Rent expense		
Mr. P. S. Jauhar	16.45	14.76
Mrs. Sonia Jauhar	33.61	27.95
SW Farms Private Limited	21.53	17.71
Rent income		
MAP Auto Limited	2.05	1.95
Guarantee and collaterals		
Corporate guarantee given by the Company for borrowings of related party	5,000	2,000
Jai Suspensions Systems LLP		
Guarantee given by related party for borrowings of the Company	3,300	7,000
Personal guarantees given by promoters for borrowings of the Company		
Mr. R. S. Jauhar	1,800	9,500
Mr. P. S. Jauhar	-	9,500

b) Balances as at the year end

	As at March 31, 2014	As at March 31, 2013
Trade receivables		
Winthrop Marketing	0.45	0.40
Jai Suspension Systems LLP	3,348.31	3,614.67
Trade payables		
MAP Auto Limited	36.91	94.75
Jamna Agro Implements Private Limited	0.30	9.37
Guarantee and collaterals by the Company for borrowings of the related party		
Guarantee given	5,000.00	5,000
Jai Suspensions Systems LLP		
Guarantee given by related party for borrowings of the Company	36,854.00	33,554
Personal guarantee given by promoters	-	
Mr. B. S. Jauhar	-	3,932
Mr. R. S. Jauhar	44,654.00	42,854
Mr. P. S. Jauhar	44,654.00	46,786
Pledge of shares by promoters		
Mr. B. S. Jauhar	34,224	34,224
B.S. Jauhar (HUF)	-	8,600
Mrs. Khem Kaur	-	-
Mr. R. S. Jauhar	387,740	387,740
S W Farms Private Limited	340,000	340,000
Randeep Investment Private Limited	-	881,610
MAP Auto Ltd.	890,210	-

36 Earning per share

	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit after tax	1,429.07	2,913.64
Less: Dividend on 12.5% optionally convertible cumulative preference shares for the year	38.39	51.19
Net profit for the period attributable to equity shares	1,390.68	2,862.45
Weighted average number of equity shares during the period in calculating basic EPS	39,500,027	39,479,325
Add: Stock options granted under ESOP	324,785	201,123
Weighted average number of equity shares during the period in calculating diluted EPS	39,824,812	39,680,448
Basic EPS	3.52	7.25
Diluted EPS	3.49	7.21

37 Obligation on long term non-cancellable operating lease

The company has finance leases and hire purchase contracts for various items of plant and machinery. These leases involve significant upfront lease payment have terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Lease rental expense	154.32	136.08
Total future minimum lease rental payable	As at March 31, 2014	As at March 31, 2013
Within one year	-	12.07
Later than one year and not later than five years	-	
Later than five years	-	-
Total	-	12.07

38 Segment Information

(a) Business segment

The Company is engaged in the business of manufacturing and selling of parabolic and tapered leaf springs. The entire operations are governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment.

Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting' other than those already provided in the Financial Statements.

(b) Geographical segment

The manufacturing facilities are common to both the segments and it is not possible to segregate expenses, assets (except for Sundry Debtors balances) and liabilities between the two segments on any reasonable basis.

The following is the segment information by location of customers, regardless of where the goods were produced:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Turnover (gross)		
Domestic	79,656.01	93,676.41
Overseas	797.08	526.00
Total	80,453.09	94,202.41
Sundry Debtors	As at March 31, 2014	As at March 31, 2013
Domestic	10,354.97	9,448.10
Overseas	130.05	154.63
Total	10,485.02	9,602.73

39 Share based compensation

- (A) The Company has issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the Schemes are administered by the Compensation Committee constituted pursuant to SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. All the permanent employees of the company and the subsidiaries, including Directors but excluding promoters of the Company are eligible to participate in the Schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

The stock option shall vest proportionately over the period of 5 years from the date of grant in the ratio of 15% for the first year, 20% for second to fourth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issue at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the company.

ESOP Scheme	Members approval	Number of options
ESOP Scheme-2006	25-Jan-2007	314000
ESOP Scheme-2008	1-Jul-2008	Not more than 5% of the paid up equity shares capital of the company as on 31.03.2012

Date of Grant	Number of options granted	Exercise Price (Rs. in absolute term)	Market price (Rs. in absolute term)
ESOP Scheme-2006			
25.01.2007	257,000	Rs 30.62	Rs 30.62
25.08.2007	57,000	Rs 44.20	Rs 44.20
ESOP Scheme-2008			
08.02.2010	867,461	Rs 54.95	Rs 54.95
05.08.2010	361,250	Rs 120.65	Rs 120.65

B) Summary of stock options

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Options outstanding at the beginning of the year	621,500	71.33	853,775	67.43
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	116,275	65.45	132,872	63.87
Options exercised during the year	3,750	63.15	99,403	122.50
Options outstanding at the end of the year	501,475	72.83	621,500	71.33
Options exercisable at the end of the year	324,785	72.83	277,720	67.13

C) Weighted average shares price on the date of exercise of the options is Rs. 63.15 (Previous year Rs. 122.50)

D) Range of exercise price and weighted average remaining contractual life of stock options outstanding

For the year ended 31 March 2014			For the year ended 31 March 2013		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life
9425	30.62	0.83 years	10725	30.62	0.63 years
1500	44.2	1.42 years	1500	44.2	0.98 years
350350	54.95	2.60 years	450075	54.95	3.10 years
140200	120.65	2.57 years	159200	120.65	3.60 years

E) Weighted average fair value of options: The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Risk free interest rate	*	*
Expected life	*	*
Expected Volatility (%)	*	*
Expected Dividend (%)	*	*
Price of underlying shares in the market at the time of option grant	*	*

*Not applicable since the Company has not granted stock options during the year

(F) 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) Guide Lines 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.

There would be no impact on the profit or earnings per share had the company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

40 Imported and indigenous raw material, components and spare parts consumed

	As at March 31, 2014		As at March 31, 2013	
	% of total consumption	Value	% of total consumption	Value
Raw material and components				
Imported	1.61%	775.74	2.85%	1,643.11
Indigenous	98.39%	47,420.83	97.15%	56,063.21
	100.00%	48,196.57	100.00%	57,706.32
Spare parts				
Imported	0.06%	1.60	0.99%	29.25
Indigenous	99.94%	2,508.54	99.01%	2,915.58
	100.00%	2,510.14	100.00%	2,944.83

41 Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure

	Currency	As at March 31, 2014		As at March 31, 2013	
		Amount in foreign currency	Rupee in equivalent	Amount in foreign currency	Rupee in equivalent
Trade receivables	USD	2.16	130.05	2.86	154.63
Trade payables	USD	0.91	54.51	21.20	1,146.60
	EURO	-	-	0.50	34.81
	JPY	-	-	104.52	60.40
Loans	EURO	7.33	605.78	8.62	599.43
	JPY	372.79	219.30	559.18	322.98

42 Employee benefits

The Group has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months. The benefit vests on the employees after completion of 5 years of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Balance Sheet

	March 31, 2014	March 31, 2013
Changes in the present value of the defined benefit obligation are as follows:		
Obligations at the beginning of the year	356.51	302.86
Service Cost	38.00	38.03
Interest Cost	30.30	25.74
Actuarial (gain) / loss	(34.65)	16.17
Benefits paid	(25.80)	(26.29)
Obligations at the end of the year	364.36	356.51
Changes in the fair value of the plan assets are as follows:		
Fair value of planned assets at the beginning of the year	208.72	215.89
Expected return on plan assets	18.26	19.97
Contributions	-	0.03
Benefits paid	(25.80)	(26.29)
Actuarial gain / (loss) on planned assets	(1.12)	(0.89)
Fair value of planned assets at the end of the year	200.06	208.72
Net liability recognized	164.30	147.79
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		
Current service cost	38.00	38.03
Interest cost on obligation	30.30	25.74
Expected return on planned assets	(18.26)	(19.97)
Net actuarial (gain) / losses	(33.53)	17.06
Net expense to be recognised	16.51	60.86
Assumptions used in accounting for the gratuity plan		
Discount rate	8.75%	8.50%
Expected rate of salary increase	6.00%	6.00%
Expected rate of return on planned assets	8.75	9.25
Normal retirement age	58 years	58 years
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
PBO (C)	3,64,36,039	3,56,51,402	3,02,86,574	2,10,55,938
Plan Assets	2,00,05,689	2,08,71,677	2,15,90,034	–
Net Assets /Liability)	(1,64,30,350)	(1,47,79,725)	(86,96,540)	(2,10,55,938)
Experience adjustment on plan PBO	25,42,648	(16,17,179)	(47,24,357)	–
Experience adjustment on plan assets	(2,16,385)	-88,979	16,17,326	–

The Company expects to contribute Rs 61.85 to gratuity in next year (Previous year Rs. 44.51).

- 43** The Company, during the year, has carried a detailed exercise to identify stocks that are no longer required for various reasons and has accordingly disposed off such stocks. The loss, which is estimated around Rs. 618 has been included in the consumption of raw materials (Rs. 225), consumption of components, stores and spares (Rs. 321) and change in inventories of FG and WIP (Rs. 347) less scrap sale of Rs. 275 which is included in other operating income.
- 44** Employee benefit expenses under note 23 include Rs. 191.33 towards director's remuneration. This amount is in excess of permissible remuneration determined under the Companies Act, 1956. Management is in process of filling an application with the central government for approval of payment of salary to the directors in excess of permissible limits. Pending such approval from the government, management has taken a confirmation from the director that they shall refund the amounts in the event of such approvals being refused.
- 45** The Company has been allotted land at Chennai by SIPCOT. While the final relief date for the commercial production is in July 2014, the management on the basis of discussions, is confident that it shall be able to resolve the issue amicably with the State Government and no provision is required in this regard.
- 46** Previous year financial statements have been audited by another auditor.
- 47** Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E

For and on behalf of the Board of Directors of
Jamna Auto Industries Limited

per **Vikas Mehra**
Partner
Membership No.: 94421

P.S. Jauhar
COO & Executive Director
DIN : 00744518

R.S. Jauhar
CEO & Executive Director
DIN : 00746186

Praveen Lakhera
Company Secretary & Head-Legal

Vivek Bhatia
Chief Financial Officer

Place: Gurgaon
Date: May 29, 2014

Place: New Delhi
Date: May 29, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Jamna Auto Industries Limited

We have audited the accompanying consolidated financial statements of Jamna Auto Industries Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the note no. 44 of accompanying financial statements stating that remuneration of Rs.191.33 lacs being paid to the executive and whole time directors which is in excess of permissible remuneration under the Companies Act, 1956 and is more fully described therein .

Other Matter

We did not audit total assets of Rs.9,483.38 lacs as at March 31, 2014, total revenues of Rs.33,647.53 lacs and net cash outflows amounting to Rs.14.44 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiary, whose financial statements and other financial information have been audited by other auditor and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditor. Our opinion is not qualified in respect of this matter.

For **S.R. Batliboi & Co. LLP**

ICAI Firm registration number: 301003E

Chartered Accountants

per **Vikas Mehra**

Partner

Membership No.: 94421

Place Gurgaon

Date: May 29, 2014

Consolidated Balance Sheet

as at March 31, 2014

(All amounts in Rupees Lacs, unless otherwise stated)

	Particulars	Note	As at March 31, 2014	As at March 31, 2013
I	Equity and Liabilities			
1	Shareholders' funds			
	(a) Share capital	3	4,125.14	4,299.76
	(b) Reserves and surplus	4	14,035.39	13,150.35
			18,160.53	17,450.11
2	Share application money pending allotment	3(g)	0.27	-
3	Minority interest		0.13	0.18
4	Non-current liabilities			
	(a) Long-term borrowings	5	6,566.63	4,187.88
	(b) Deferred tax liabilities (net)	6	1,480.11	1,583.83
	(c) Other long-term liabilities	7	81.78	80.72
	(d) Long-term provisions	8	328.06	260.64
			8,456.58	6,113.07
5	Current liabilities			
	(a) Short-term borrowings	9	2,281.40	8,059.36
	(b) Trade payables	10	19,140.58	21,783.12
	(c) Other current liabilities	11	5,224.19	5,249.08
	(d) Short-term provisions	8	649.75	1,484.88
			27,295.92	36,576.44
	TOTAL		53,913.43	60,139.81
II	Assets			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12(a)	25,802.16	26,079.25
	(ii) Intangible assets	12(a)	133.00	460.18
	(iii) Capital work-in-progress		223.13	1,715.19
			26,158.29	28,254.62
	(b) Long-term loans and advances	14	3,221.79	3,899.65
	(c) Other non-current assets	15	37.73	106.28
			3,259.52	4,005.93
2	Current assets			
	(a) Current investments	13	-	524.99
	(b) Inventories	16	10,073.73	13,164.70
	(c) Trade receivables	17	10,835.80	10,685.66
	(d) Cash and bank balances	18	1,370.97	1,481.13
	(e) Short-term loans and advances	14	1,399.88	1,860.08
	(f) Other current assets	15	815.24	162.70
			24,495.62	27,879.26
	TOTAL		53,913.43	60,139.81

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

per **Vikas Mehra**

Partner

Membership No.: 94421

For and on behalf of the Board of Directors of

Jamna Auto Industries Limited

P.S. Jauhar

COO & Executive Director

DIN : 00744518

Praveen Lakhera

Company Secretary & Head-Legal

R.S. Jauhar

COO & Executive Director

DIN : 00746186

Vivek Bhatia

Chief Financial Officer

Place: Gurgaon

Date: May 29, 2014

Place: New Delhi

Date: May 29, 2014

Statement of Consolidated Profit and Loss

for the year ended March 31, 2014

(All amounts in Rupees Lacs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
	Income			
I	Revenue from operations (gross)	19	89,428.88	105,575.80
	Less : Excise duty		6,052.78	7,560.67
	Revenue from operations (net)		83,376.10	98,015.13
II	Other income	20	201.88	234.34
III	Total revenue		83,577.98	98,249.47
IV	Expenses			
	Cost of raw material and components consumed	21	54,704.75	65,564.40
	(Increase)/decrease in in inventories of finished goods and work in progress	22	1,611.45	(1,102.97)
	Employee benefits expense	23	5,981.61	6,014.29
	Other expenses	24	16,255.51	18,989.49
	Total expenses		78,553.32	89,465.21
V	Profit before finance costs, depreciation/amortisation cost, exceptional items and prior period items		5,024.66	8,784.26
VI	Finance costs	25	2,407.05	2,674.03
VII	Depreciation and amortisation expenses	26	2,590.90	2,894.76
VIII	Profit before exceptional items, prior period items and tax expense		26.71	3,215.47
	Exceptional items	27(a)	(1,755.74)	-
	Prior period items	27(b)	111.74	-
	Profit before tax		1,670.71	3,215.47
	Tax expense			
	Current tax		377.01	635.74
	Less : Minimum alternate tax credit entitlement		12.15	(623.01)
	Income tax adjustments (net)		1.30	(2.87)
	Deferred tax charge		(103.73)	432.95
	Total tax expense		286.73	442.81
	Profit after tax (before adjustment for share of minority interest)		1,383.98	2,772.66
	Less: Share of minority in profits		0.02	0.06
	Profit for the year		1,383.96	2,772.60
	Earnings per equity share (par value Rs. 10 (absolute amount) per share)	28		
	- Basic		3.41	6.89
	- Diluted		3.38	6.86

Significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

per **Vikas Mehra**

Partner

Membership No.: 94421

For and on behalf of the Board of Directors of

Jamna Auto Industries Limited

P.S. Jauhar

COO & Executive Director

DIN : 00744518

Praveen Lakhera

Company Secretary & Head Legal

R.S. Jauhar

COO & Executive Director

DIN : 00746186

Vivek Bhatia

Chief Financial Officer

Place: Gurgaon

Date: May 29, 2014

Place: New Delhi

Date: May 29, 2014

Consolidated Cash Flow Statement

for the year ended March 31, 2014

(All amounts in rupees Lacs, unless otherwise stated)

	Year ended March 31, 2014	Year ended 31 March 2013
A. Cash flow from operating activities		
Profit before tax but after prior period and exceptional items	1,670.71	3,215.45
Adjustments for:		
Depreciation	2,630.16	2,894.76
Loss on sale of fixed assets	53.37	9.30
Interest expense	1,407.26	2,674.03
Interest income from fixed deposits	(60.04)	(73.50)
Provision for doubtful debts	21.54	10.09
Provision for doubtful advance	14.30	41.52
Bad debts written off	150.76	169.30
Sundry balance written off	72.93	332.18
Excess provision written back	(4.30)	(8.16)
Amortisation of ancillary cost of arranging the borrowings	120.31	21.87
Exchange fluctuation loss - mark to market on forward exchange contracts	-	(226.78)
Exchange fluctuation loss - Unamortised premium on forward contract	-	197.00
Profit on sale of investment	(2,025.01)	-
Operating profit before working capital changes	4,051.99	9,257.06
Changes in operating assets and liabilities:		
Increase/(decrease) in provisions	470.59	99.63
Increase/(decrease) in trade payables	(2,646.84)	(2,905.97)
Increase/(decrease) in other liabilities	712.08	40.48
(Increase)/decrease in trade receivables	(322.44)	2,014.46
(Increase)/decrease in inventories	3,090.97	468.91
(Increase)/decrease in other assets	(707.91)	1,447.21
(Increase)/decrease in loans and advances	429.96	(1,126.96)
Cash generated from operations	5,078.40	9,294.82
Direct taxes paid	(603.20)	(620.78)
Net cash generated from operations	4,475.20	8,674.04
B. Cash flow from investing activities		
Purchase of fixed assets	(670.06)	(3,419.27)
Proceeds from sale of fixed asset	79.53	114.31
Proceeds from sale of Investments	2,550.00	-
Movement in fixed deposit	392.82	(26.40)
Interest received	70.27	92.54
Net cash from/ (used in) investing activities	2,422.56	(3,238.82)

C. Cash flow from financing activities		
Proceeds from issue of share (including share premium)	2.30	44.83
Redemption of preference shares	(175.00)	-
Dividend paid (including dividend distribution tax Rs.141.69 (previous year Rs.165.95))	(958.79)	(1,207.57)
Proceeds from long term borrowings	6,893.43	2,031.55
Repayment of long term borrowings	(5,206.51)	(4,340.33)
Short term borrowings (net)	(5,777.96)	654.84
Payment of finance costs	(1,420.94)	(2,670.56)
Net cash from/ (used in) financing activities	(6,643.47)	(5,487.24)
Net increase/ (decrease) in cash and cash equivalents	254.29	(52.02)
Opening cash and cash equivalents	854.78	906.80
Closing cash and cash equivalents	1,109.07	854.78
Cash and cash equivalent comprises of:		
Cash in hand	6.18	10.09
Balances with scheduled banks		
- On current account	1,029.22	787.62
- Unpaid dividend account*	73.67	57.07
Total cash and cash equivalents (Refer note 18)	1,109.07	854.78

Notes:

(a) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 – Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.

* The company can utilize these balances only toward settlement of the respective unpaid dividend

As per our report of even date attached

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E

For and on behalf of the Board of Directors of
Jamna Auto Industries Limited

per **Vikas Mehra**
Partner
Membership No.: 94421

P.S. Jauhar
COO & Executive Director
DIN : 00744518

R.S. Jauhar
COO & Executive Director
DIN : 00746186

Praveen Lakhera
Company Secretary & Head Legal

Vivek Bhatia
Chief Financial Officer

Place: Gurgaon
Date: May 29, 2014

Place: New Delhi
Date: May 29, 2014

Notes to consolidated financial statements

for the year ended March 31, 2014

(All amounts in Rupees Lacs, unless otherwise stated)

1 Corporate information

Jamna Auto Industries Limited (hereinafter referred to as 'the Company' or 'JAI') is a manufacturer of Tapered Leaf and Parabolic springs. The Company's manufacturing facilities are located at Malanpur, Chennai, Yamuna Nagar, Jamshedpur and Hosur. The Company has 99.99% investment in Jai Suspension Systems LLP ('JSSL' of 'the LLP') which is incorporated in India.

2 Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs to the extent applicable. The accounting policies have been consistently applied by the group and are consistent with those used in the previous year. All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

The consolidated financial statements relate to the Company and the LLP, collectively known as 'the Group' both being incorporated in India. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements' as specified in the Companies (Accounting Standards) Rules 2006.

The consolidated financial statements of the Company have been combined on a line-by-line basis by adding the book values of all items of assets, liabilities, incomes and expenses after eliminating intra-group balances/transactions and unrealised profits. The amount shown in respect of reserves comprises the amount of relevant reserves as per the balance sheet of the Company and its share of profits in the LLP.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to

make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed Assets are stated at cost net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its booked value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation / amortisation

Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Depreciation on other fixed assets is calculated on a straight line basis using rates arrived at based on the useful lives estimated by the management which are same as under Schedule XIV to the Companies Act, 1956.

Fixed assets individually costing up to Rs. 0.05 are depreciated at the rate of 100 percent.

d) Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

e) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

f) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition,

construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

1) Sales of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

2) Service income

Revenue from job work services is recognised on completion of services to be rendered.

3) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

4) Share of profit from LLP

Share of profit from LLP is recognised when the right to receive share of profit is established.

j) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k) Foreign exchange transactions**i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign

currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on retranslation of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses.

l) Employee benefits

i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

ii) The Group operates defined benefit plan for its employees i.e. gratuity. The cost of providing benefits under the plan are determined and recognised on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Income taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates

and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against

which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

n) Segment reporting

Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a

fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that

arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

Notes to the consolidated financial statements

for the year ended March 31, 2014

3 Share capital

	As at March 31, 2014	As at March 31, 2013
Authorised share capital (amount per share in absolute rupees)		
63,886,500 (Previous year 63,886,500) equity shares of Rs. 10 each	6,388.65	6,388.65
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	350.00	350.00
Total	6,738.65	6,738.65
Issued, subscribed and paid up equity shares (amount per share in absolute rupees)		
Subscribed and fully paid (39,485,969 (Previous year 39,482,219) equity shares of Rs. 10 each)	3,948.60	3,948.22
Subscribed but not fully paid (30,645 (Previous year 30,645) equity shares of Rs. 10 each, amount called up Rs. 10 each)	3.06	3.06
Less: Call in arrears (Held by other than directors)	(1.52)	(1.52)
Issued, subscribed and fully paid up preference shares (amount per share in absolute rupees)		
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference share of Rs. 100 each	175.00	350.00
Total	4,125.14	4,299.76

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	March 31, 2014		March 31, 2013	
Equity Shares - Subscribed and fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	39,482,219	3,948.22	39,382,816	3,938.28
Add : Fresh allotment of share under ESOP scheme (refer note 39)	3,750	0.38	99,403	9.94
At the end of the year	39,485,969	3,948.60	39,482,219	3,948.22
Equity Share - Subscribed but not fully paid up				
Number of shares at the beginning and end of the year	30,645	3.06	30,645	3.06
Preference Share				
At the beginning of the year	350,000	350.00	350,000	350.00
Less : Redemption of shares (refer note (c) below)	175,000	175.00	-	-
At the end of the year	175,000	175.00	350,000	350.00

b. Term and Rights attached to equity shares

The Company has only one type of equity shares having par value of Rs. 10 (absolute amount) each per share. Each shareholder is entitled to one vote per share. The Company pays and declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2014, the Company has declared final dividends of Rs. 1 (absolute amount) (previous year Rs.2 (absolute amount)) per share each.

c. Terms and rights of Preference shares including the terms of conversion/redemption

The preference shares were issued to IFCI pursuant to the debt restructuring scheme entered between erstwhile Jai Parabolic Springs Limited and IFCI Limited. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. The preference shares are redeemable in two instalments of Rs. 175 each, out of which first instalment was redeemed during the year on October 1, 2013 and second instalment is due for redemption on October 1, 2014. The preference shares are not entitled to any voting rights.

d. Details of shareholders holding more than 5% shares in the company

	March 31, 2014		March 31, 2013	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity Shares of Rs. 10 each fully paid				
Clearwater Capital Partners Cyprus Limited	9,614,147	24.33%	9,614,147	24.33%
MAP Auto Limited (erstwhile Randeep Investment Private Limited)*	-	0.00%	7,061,390	17.87%
MAP Auto Limited	11,773,899	29.79%	4,624,711	11.70%
NHK Springs Co. Limited	2,308,509	5.84%	2,308,509	5.84%
Preference Shares of Rs. 100 each fully paid				
IFCI Limited	175,000	100%	350,000	100%

* During the year, Randeep Investment Private Limited merged with MAP Auto Limited

e. Shares reserved for issue under Options and contracts/commitments for the sale of shares/ disinvestment, including the terms and amounts

The Company provides shares based payment schemes to its employees. During the year ended March 31, 2014, an employee stock option scheme was in existence and 501,475 stock options (Previous year: 621,500) can be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 39.

f. Forfeited shares (amount originally paid up, included in capital reserve)

	March 31, 2014		March 31, 2013	
	No of shares	Amount	No of shares	Amount
Equity share capital (28,190 (previous year 28,190) equity shares of Rs. 10 each, amount called up Rs. 10 each), amount per share is in absolute rupees.	28,190	1.45	28,190	1.45
	28,190	1.45	28,190	1.45

g. Share application money pending allotment

	March 31, 2014		March 31, 2013	
	No of shares	Amount	No of shares	Amount
Shares proposed to be issued	500	-	-	-
Fully paid up value of shares		0.05	-	-
Premium on shares proposed to be issued		0.22	-	-
		0.27	-	-

The share application money pending allotment includes amount received from an employee against the employee stock option plan. Such money was received on January 10, 2014 and the corresponding shares will be allotted in the next compensation committee meeting.

4 Reserves and surplus

	As at March 31, 2014	As at March 31, 2013
Capital reserve (refer note (a) below)	315.71	315.71
Capital redemption reserve		
Balance as per the last financial statements	50.00	50.00
Transferred from general reserve during the year^	175.00	-
Closing balance	225.00	50.00
Securities premium account		
Balance as per the last consolidated financial statements	14,969.10	14,931.49
Add : Premium on issue of shares	1.65	37.61
Closing balance	14,970.75	14,969.10
Amalgamation reserve	1,481.46	1,481.46
General reserve		
Balance as per the last consolidated financial statements	4,427.61	4,136.25
Add : Amount transferred from the balance in the Consolidated Statement of Profit and Loss	-	291.36
Less : Amount transferred to Capital Redemption Reserve^	(175.00)	-
Closing balance	4,252.61	4,427.61
Surplus/(deficit) in the Consolidated Statement of Profit and Loss		
Balance as per the last consolidated financial statements	(8,093.53)	(9,598.11)
Add: Profit for the year	1,383.96	2,772.60
Less: Appropriations		
Transferred to general reserve	-	291.36
Proposed equity dividend (refer note (c) below)	395.04	789.95
Final dividend	-	1.27
Proposed preference dividend (refer note (b) below)	32.81	43.75
Tax on equity dividend	67.14	134.25
Tax on preference dividend	5.58	7.44
Net surplus/(deficit) in the Consolidated Statement of Profit and Loss	(7,210.14)	(8,093.53)
Total Reserves and surplus	14,035.39	13,150.35

- (a) Includes Rs.150 representing 10% of the issued price of 2,083,333 convertible warrants as application money received towards the subscription of such warrants by the promoters in erstwhile Jai Parabolic Springs Limited. Such application money was forfeited in accordance with SEBI guidelines on the expiry of 18 months from the date of issue. It also includes Rs. 97 representing application money received towards the subscription of 1,343,210 convertible warrants allotted to MAP Auto Limited. Such application money was forfeited on June 27, 2007.
- (b) The Board of Directors have recommended preference dividend amounting to Rs.32.81 relating to the year ended March 31, 2014 (Previous year: Rs.43.75) in the Board meeting held on May 29, 2014. The same is subject to approval of shareholders.
- (c) The Company has declared a final dividend of Re. 1 (absolute amount) (previous year Rs.2 (absolute amount)) per equity share for the year, subject to the approval of shareholders.
- ^ Represents reserves created on account redemption of Preference shares during the year.

5 Long-term borrowings

		Non-current portion		Current maturities	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured loans #					
From banks					
- Term loans		1,784.07	1,274.00	1,371.38	1,948.62
- Working capital term loan		3,950.00	2,000.00	1,781.05	1,000.00
- Vehicle loans		75.52	131.12	48.96	78.46
From others					
- Vehicle loans		15.83	-	42.89	-
- Term loans		-	-	-	429.00
	(A)	5,825.42	3,405.12	3,244.29	3,456.08
Unsecured:					
- Term loan from other than bank		393.43	-	-	-
- Working capital term loan from bank ##		-	-	-	476.62
- Deferred sales tax loan		347.78	782.76	435.89	439.31
	(B)	741.21	782.76	435.89	915.93
Total (A+B)		6,566.63	4,187.88	3,680.18	4,372.01
Less: Amount disclosed under the head “other current liabilities” (refer note 11)		-	-	(3,680.18)	(4,372.01)
Net amount		6,566.63	4,187.88	-	-

(All Amounts in Lacs)

#	Nature of security	Terms of repayment and rate of interest
	Term loan from Banks	
(A)	ICICI Bank Ltd (Rs. Nil (previous year Rs. 394.74 Lacs))	
	<p>(a) First pari passu charge on all movable fixed assets of the Company situated at Malanpur Plant (excluding one parabolic line of value not exceeding 350 lacs), Yamuna Nagar Plant, Jamshedpur Plant,</p> <p>(b) First pari passu charge on all immovable properties including all the plant and machinery at Malanpur, Jamshedpur, Yamuna Nagar and Chennai.</p> <p>(c) Second pari passu charge with other lenders on Chennai plant</p> <p>(d) Second pari passu charge on the current assets of the company.</p> <p>(e) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms: 19 equal quarterly instalments of Rs. 131.58 Lacs each commencing from 12 months from the date of first disbursement i.e. 30.06.2008</p> <p>Rate of interest: The rate of interest shall be 2.55% per annum below the sum of ICICI Bank Benchmark advance rate ('IBAR') and six months term premia. The same shall be reset at the end of every six months from the date of disbursement based on then prevailing IBAR. The rate of interest is 15.75%.</p>

(B)	ICICI Bank Ltd (Rs.713.32 lacs (previous year Rs. 1,188.87 lacs))	
	<p>(a) First pari passu charge with the other lenders on the fixed assets of the Company except the Chennai plant and on any asset exclusively charged to other lenders.</p> <p>(b) Second pari passu charge with other lenders on Chennai plant</p> <p>(c) Second pari passu charge with other lenders on the current assets of the company.</p> <p>(d) Unconditional and irrevocable personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms: 16 equal quarterly instalments of Rs. 56.25 lacs each commencing from 12 months from the date of first disbursement i.e. November 2011, 14 equal quarterly instalments of Rs.35.71 lacs each commencing from May 2012 and 13 equal quarterly instalments of Rs.26.92 lacs each commencing August 2012.</p> <p>Rate of interest: Rate of interest shall be sum of I-base and spread of 4.3% per annum, subject to minimum rate of I-base p.a. The rate of interest varies from 14.00% to 14.50%</p>
(C)	State Bank of India (Rs.1,317.62 lacs (previous year Rs. 3,750.12 lacs))	Capex term loan from State Bank of India
	<p>(a) First pari passu charge with the other lenders on the entire fixed assets of the Company except the Chennai plant.</p> <p>(b) Second pari passu charge with other lenders on the fixed assets of Chennai Plant</p> <p>(c) Second pari passu charge with other lenders on the current assets of the company.</p> <p>(d) Personal Guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms 16 equal quarterly instalments of 187.50 lacs commencing from the end of moratorium period i.e October 2011 Rate of interest: 5.25% above the base rate. The interest rate ranges from 13.30% to 14.35%</p> <p>Working capital term loan from State Bank of India</p> <p>Repayment terms 10 quarterly instalments, whereby first eight of Rs. 250.00 lacs and next two of 500.00 lacs each. The outstanding loan balance shall be paid in 1 instalment of Rs. 431.05 lacs. Rate of interest: 4% above the base rate. The interest rate ranges from 13.95% to 15.00%.</p>
(D)	Kotak Mahindra Bank (Rs. 555.56 (previous year Rs. 888.89))	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 36 equal monthly instalments of Rs. 27.78 each starting from the end of 1st month of first disbursement of term loan i.e. December 2012</p> <p>Rate of interest: The rate of interest is 12.5%.</p>

(All Amounts in Lacs)

(E)	Kotak Mahindra Bank (Rs.1,800.00 (previous year Rs. Nil))	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant to be shared with SBI and ICICI Bank..</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant to be shared with SBI and ICICI Bank.</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs.66.67 each starting from the end of 6 months from disbursement of term loan i.e. Jun 2013</p> <p>Rate of interest: The rate of interest is 12.5%.</p>
(F)	Kotak Mahindra Bank (Rs.1,500.00 (previous year Rs. Nil))	
	<p>(a) Exclusive mortgage charge on the Hosur plant</p> <p>(b) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs.50 each starting from the end of 6 months from disbursement of term loan i.e. March 2014</p> <p>Rate of interest: The rate of interest is 12.5%.</p>
(G)	SBER (Rs.2,000.00 (previous year Rs. Nil))	
	<p>(a) First pari passu charge on the movable and immovable fixed assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the borrower for value not less than Rs. 2,000 and with a fixed asset coverage ratio of not less than Rs. 3,000.</p> <p>(b) Second pari passu charge on the movable and immovable fixed assets at Chennai.</p> <p>(c) Second pari passu charge on the current assets of the Company.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs.250.00 each starting from the end of 15th month from disbursement of term loan i.e. December 2013</p> <p>Rate of interest: The rate of interest is 13.50%.</p>

(All Amounts in Lacs)

(H)	HDFC (Rs.1,000 (previous year Rs. Nil))	
	<p>(a) First pari passu charge on all present and future fixed assets of the Company i.e. Malanpur, Jamshedpur and Yamuna Nagar Plants excluding Chennai Plant.</p> <p>(b) Second pari passu on current assets of the Company both present and future</p> <p>(c) Personal Guarantees of Mr. P. S. Jauhar, COO & Executive Director and Mr. R. S. Jauhar, CEO & Executive Director.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs.125 each starting after 1 year from disbursement of term loan i.e. March 2014</p> <p>Rate of interest: The rate of interest is bank rate plus 1.95%, current rate being 11.95%</p>
(I) ##	Working capital term loan (Rs. Nil (previous year Rs.476.62))	
	The working capital term loan from Kotak Mahindra Bank (Rs. Nil (Previous year : Rs.476.62)) is an unsecured facility and shall be repaid in 24 equal instalments of Rs.70.96 and 25th instalment of Rs.71.05. The instalment is inclusive of interest @ 12.5% per annum.	
(J)	IFCI Limited (Rs. Nil (previous year Rs.429))	
	<p>(a) First pari passu charge on the immovable properties of the Chennai Plant.</p> <p>(b) First pari passu charge on the whole of the movable including movable plant and machinery and other movable (except book debts) situated at Company's plant at Chennai.</p> <p>(c) Second pari passu charge on the immovable properties of the Company at Yamuna Nagar, Jharkhand and Malanpur</p> <p>(d) Second pari passu charge on the movable properties of the company at Yamuna Nagar, Jharkhand and Malanpur</p> <p>(e) Personal Guarantees of Mr. B. S. Jauhar, Chairman and Mr. P. S. Jauhar, COO & Executive Director.</p>	<p>Repayment terms: The quarterly repayment has commenced from January 1, 2011 payable from 7 quarterly instalments of Rs.98.00, 4 quarterly instalments of Rs.141.00 and 2 quarterly instalments of Rs.144.00.</p> <p>Rate of interest: The rate of interest is 20% post October 1, 2010.</p>
(K)	Deferred sales tax loan (Rs.783.67 (previous year Rs.1,222.07))	
	As per the eligibility certificate issued, the Company is eligible for waiver of deferred sales tax repayable over the period from March 1, 2010 to February 28, 2019 and is unsecured and interest free.	
(L)	Vehicle loan (Rs.183.20 (previous year Rs.209.58))	
	Vehicle loans are secured by the hypothecation of the specific vehicles. The loans are repayable in equated monthly / quarterly instalments in accordance with terms and conditions of loan agreements with bank/others. The period of loan ranges from 3 to 5 years and interest rate ranges from 10.00 % to 12.50 %.	

6 Deferred tax liabilities (net)

	As at 31 March 2014	As at March 31, 2013
Deferred tax liability		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	2,051.43	2,010.01
Less : Deferred tax assets		
Brought forward losses as per tax laws	378.89	290.20
Provision for bad and doubtful debts	27.41	57.18
Others	165.02	78.80
Total deferred tax asset	571.32	426.18
Deferred tax liability (net)	1,480.11	1,583.83

7 Other Long term liabilities

	As at 31 March 2014	As at March 31, 2013
Security deposits	81.78	80.72
Total	81.78	80.72

8 Provisions

	Long-term		Short-term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Provision for employees benefits				
Provision for leave encashment	167.59	128.86	54.08	24.57
Provision for gratuity (refer note 42)	160.47	131.78	31.10	39.18
	328.06	260.64	85.18	63.75
Other provisions				
Provision for proposed equity dividend	-	-	395.04	789.95
Provision for proposed preference dividend	-	-	32.81	43.75
Tax on proposed equity dividend	-	-	67.14	134.25
Tax on proposed preference dividend	-	-	5.58	7.44
Provision for income tax	-	-	64.00	445.74
	-	-	564.57	1,421.13
Total	328.06	260.64	649.75	1,484.88

9 Short-term borrowings

	As at March 31, 2014	As at March 31, 2013
Cash credit *	488.55	369.78
Buyer's credit from bank #	825.09	922.41
Bill discounting facility from banks	727.76	4,367.17
Purchase order finance facility*	240.00	2,000.00
Working capital demand loan *	-	400.00
	2,281.40	8,059.36
Total above amount includes		
Secured borrowings * #	1,553.64	3,692.19
Unsecured borrowings	727.76	4,367.17
Total	2,281.40	8,059.36

* Loan facility is secured against

- First pari passu charge on the current assets and movable fixed assets of the Company
- personal guarantee of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.

Buyer's credit is a part of term loan facility from ICICI Bank Limited. For details of security, refer note 5 on security related to term loans from banks. Additional security details related to working capital loan from ICICI bank refer below:

- First pari pasu charge on the entire current assets of the Company both present and future with other member bank of the consortium.
- Second pari pasu charge along with other banks over immovable properties and fixed assets Malanpur, Yamuna Nagar, Jamshedpur and Chennai units both present and future.
- Unconditional and irrevocable personal guarantees of Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director.
- Pledge of 15 lacs shares of Promoters to be shared on pari passu with other banks participating banks / institutions.

10 Trade payables

	As at March 31, 2014	As at March 31, 2013
Trade payables (including acceptances Rs.14,624.71 (previous year Rs.11,138.50)) (Refer to note (a) below)	19140.58	21783.12

11 Others current liabilities

	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term borrowing (refer note 5)	3,680.18	4,372.01
Interest accrued and not due on borrowings	55.01	66.68
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed dividends	73.67	57.07
Other payables		
Creditors towards fixed assets (refer to note (a) below)	99.64	132.05
Statutory dues payable		
Service tax payable	3.63	5.19
Sales tax payable	241.64	336.44
TDS payable	72.88	101.69
PF and ESI payable	44.42	43.55
Advance against sale of property	765.00	-
Other payable	188.12	134.40
Total	5,224.19	5,249.08

Note (a): Details of dues to micro and small enterprises defined under the MSMED Act, 2006

Based on the information presently available with the Company, there are no dues outstanding as at year end or interest payable/paid on delays in payment to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

12 (a) Fixed assets

As at March 31, 2014

Particulars	Gross block			Accumulated depreciation			Net block		
	As at April 1, 2013	Additions during the year	Sale/ adjustment during the year	As at March 31, 2014	As at April 1, 2013	Depreciation/ Amortisation for the year	Sale/ adjustment during the year	As at March 31, 2014	As at March 31, 2013
Tangible fixed assets									
Freehold land	2,771.28	-	-	2,771.28	-	-	-	2,771.28	2,771.28
Leasehold land (Refer note no. 45)	1,040.63	1.25	-	1,041.88	25.86	23.44	-	992.58	1,014.77
Factory building	5,761.20	24.68	0.58	5,785.31	1,220.41	184.44	-	4,380.46	4,540.80
Office building	62.47	-	-	62.47	3.84	1.02	-	4.86	58.63
Plant and machinery	30,064.89	1,854.36	1,450.83	30,468.42	13,320.44	1,810.80	1,363.16	16,700.34	16,744.45
Furniture and fixtures	225.05	12.11	50.09	187.07	118.52	17.29	46.93	88.88	106.53
Vehicles	766.39	75.51	86.64	755.26	206.74	91.40	70.55	527.67	559.65
Office equipment	355.64	28.72	85.15	299.21	176.17	39.74	61.42	144.72	179.47
Computer hardware	446.14	115.42	104.04	457.52	342.47	88.22	102.48	129.31	103.67
Total	41,493.69	2,112.06	1,777.33	41,828.42	15,414.45	2,256.35	1,644.54	25,802.16	26,079.25
Intangible assets									
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-
Computer software	412.83	46.77	0.36	459.23	237.47	89.01	0.25	326.23	175.36
Copyrights	3,497.58	-	-	3,497.58	3,212.77	284.81	-	3,497.58	284.81
Total	4,831.43	46.77	0.36	4,877.83	4,371.26	373.82	0.25	4,744.83	460.17
Grand Total	46,325.12	2,158.83	1,777.69	46,706.25	19,785.71	2,630.17	1,644.79	25,935.16	26,539.42

Particulars	Gross block			Accumulated depreciation			Net block		
	As at April 1, 2012	Additions during the year	Sale/ adjustment during the year	As at March 31, 2013	As at April 1, 2012	Depreciation/ Amortisation for the year	Sales / adjustments during the year	As at March 31, 2013	As at March 31, 2012
Tangible fixed assets									
Freehold land	1,382.40	1,388.88	-	2,771.28	-	-	-	2,771.28	1,382.40
Leasehold land	81.23	959.40	-	1,040.63	14.48	11.38	-	25.86	1,014.77
Factory building	4,668.63	1,102.80	10.23	5,761.20	1,068.25	156.67	4.51	1,220.41	4,540.80
Office building	62.47	-	-	62.47	2.82	1.02	-	3.84	58.63
Plant and machinery	23,790.40	7,233.21	958.72	30,064.89	12,221.35	1,971.66	872.57	13,320.44	16,744.45
Furniture and fixtures	202.85	25.26	3.06	225.05	107.34	13.32	2.14	118.52	106.53
Vehicles	569.06	253.36	56.03	766.39	176.74	61.99	31.99	206.74	559.65
Office equipment	341.82	35.71	21.89	355.64	164.01	28.68	16.52	176.17	179.47
Computer hardware	428.83	36.56	19.25	446.14	326.80	33.51	17.84	342.47	103.67
Total	31,527.69	11,035.19	1,069.18	41,493.69	14,081.79	2,278.23	945.57	15,414.45	26,079.25
Intangible fixed assets									
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-
Computer Software	411.47	1.37	-	412.83	157.15	80.32	-	237.47	175.36
Copyrights	3,497.58	-	-	3,497.58	2,676.53	536.24	-	3,212.77	284.81
Total	4,830.07	1.37	-	4,831.43	3,754.70	616.56	-	4,371.26	460.17
Grand Total	36,357.76	11,036.56	1,069.18	46,325.12	17,836.49	2,894.79	945.57	19,785.71	26,539.42
									18,520.35

Note 12 (b): Capitalization of expenditure

During the year, the Company has capitalised the following expenses attributable to fixed assets. Consequently, expenses disclosed under the respective notes are net of the amounts capitalised by the Company.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Finance cost	-	1,686.50
Salary, wages and bonus	-	118.75
Consumption of stores and consumables	170.78	391.30
Others expenses	31.72	133.52
Total	202.50	2,330.07

13 Investments

	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Long term non-trade investments (valued at cost)				
Investment in equity instruments (unquoted) *				
Nil (previous year: 5,249,920) equity share of Rs.10 (absolute amount) each fully paid-up in NHK Spring Company India Limited	-	-	-	524.99
Total	-	-	-	524.99

* During the year, the Company has sold off 5,249,920 shares of NHK Spring India Limited at an agreed price of Rs.2,550.

14 Loan and advances (unsecured, considered good unless otherwise stated)

	Non-current assets		Current assets	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Capital advances				
- considered good	124.78	159.51	-	-
- considered doubtful	5.61	-	-	-
Security deposits	350.87	354.59	14.21	12.22
Advances recoverable in cash or kind				
Advance to supplier				
- considered good	-	-	187.01	945.47
- considered doubtful	41.52	41.52	-	-
Advance income tax (net)	299.75	811.59	139.20	-
Minimum alternate tax credit	2,211.10	2,291.01	-	-
Prepaid expenses	-	0.27	85.11	109.06
Advance to employees	-	-	50.89	46.27
Balance with sales tax authorities	235.29	2.29	443.56	1.24
Balance with excise authorities	-	114.68	400.28	470.98
Other recoverable in cash or kind	-	165.71	79.62	274.84
	2,787.66	3,427.07	1,385.67	1,847.86
Less :- Provision for doubtful Advance	(47.13)	(41.52)	-	-
Total	3,221.79	3,899.65	1,399.88	1,860.08

15 Other assets

	Non-current assets		Current assets	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Non-current bank balances (Refer note 18)	18.51	9.88	-	-
Asset held for sale	-	-	765.00	-
Unamortised expenditure				
Ancillary cost of arranging the borrowings	13.61	84.57	45.06	96.42
	32.12	94.45	810.06	96.42
Others				
Interest accrued on fixed deposits	5.61	11.83	-	4.01
DEPB receivable	-	-	5.18	9.63
Unbilled revenue	-	-	-	52.64
Total	5.61	11.83	5.18	66.28
	37.73	106.28	815.24	162.70

16 Inventories

	As at March 31, 2014	As at March 31, 2013
Raw material and Components[includes goods in transit: Rs.918.81 (previous year: Rs.801.91)]	2,333.92	3,523.17
Work-in-progress	2,641.41	4,541.35
Finished goods [includes goods in transit Rs. 954.33 (previous year: Rs.726.19)]	3,773.20	3,498.19
Components	652.72	724.26
Stores and spares	628.74	847.47
Scrap	43.74	30.26
Total	10,073.73	13,164.70

17 Trade receivables

	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	23.32	42.48
Unsecured, considered doubtful	38.95	10.09
Other receivables		
Unsecured, considered good	10,812.48	10,643.18
	10,874.75	10,695.75
Less: Provision for doubtful debts	(38.95)	(10.09)
Total	10,835.80	10,685.66

18 Cash and bank balances

	Non-Current Assets		Current Assets	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents				
Balance with banks				
On current account	-	-	1,029.22	787.62
Unpaid dividend account	-	-	73.67	57.07
Cash on hand	-	-	6.18	10.09
	-	-	1,109.07	854.78
Other bank balances				
Deposits with bank with more than 12 months#	1.14	9.88	5.77	-
Deposits with bank with more than 3 months and less than 12 months*	-	-	256.14	610.43
Margin money deposits	17.36	-	-	15.92
	18.50	9.88	261.91	626.35
Amount disclosed under non-current assets (Refer note 15)	(18.50)	(9.88)	-	-
Total	-	-	1,370.98	1,481.13

* Includes fixed deposit kept as margin money Rs.254.14 (previous year Rs.520.82)

Includes fixed deposit kept as margin money Rs.6.91 (previous year Rs.5.83)

19 Revenue from operations

	For the year ended 31 March 2014	For the year ended March 31, 2013
Sale of products		
- finished goods	87,543.23	103,244.18
Sale of services		
- job work income	11.51	-
Other operation revenue		
- Scrap sale	1,874.14	2,331.62
Revenue from operations (gross)	89,428.88	105,575.80
Less : Excise duty	6,052.78	7,560.67
Revenue from operations (net)	83,376.10	98,015.13
*Excise duty on sales amounting to Rs.6,052.78 (previous year Rs.7,560.67) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease in stock amounting to Rs.2.84 (previous year Rs.(45.69)) has been considered as expense/(income) in note 24 of financial statements.		
Detail of product sold		
Leaf springs (conventional and parabolic)	86,140.50	102,668.65
Lift Axle	1,402.73	575.53
Total	87,543.23	103,244.18

20 Other income

	For the year ended 31 March 2014	For the year ended March 31, 2013
Interest income on bank deposits	60.04	73.50
Excess provision written back	4.30	8.16
Miscellaneous income	137.54	152.68
Total	201.88	234.34

21 Raw Material and Components Consumed

	For the year ended 31 March 2014	For the year ended March 31, 2013
Inventory at the beginning of the year	4,247.43	6,003.25
Add : Purchases during the year	53,443.96	63,808.58
	57,691.39	69,811.83
Less : Inventory at the end of the year	2,986.64	4,247.43
Cost of raw material and components consumed	54,704.75	65,564.40
Detail of raw material and component consumed		
- Steel flats	49,993.69	60,237.96
- Bushes	1,707.91	2,535.88
- Clamp and others	3,003.15	2,790.56
Total	54,704.75	65,564.40
Detail of inventory		
Steel Flat	2,333.92	3,523.17
Bushes	123.42	228.71
Clamp and others	529.30	495.55
Total	2,986.64	4,247.43

22 (Increase)/decrease in inventory of finished goods, work in progress and scrap

	For the year ended March 31, 2014	For the year ended March 31, 2013
Inventories at the end of year		
- Finished goods	3,773.20	3,498.19
- Work in progress	2,641.41	4,541.35
- Scrap	43.74	30.26
	6,458.35	8,069.80
Inventories at the beginning of year		
- Finished goods	3,498.19	3,749.28
- Work in progress	4,541.35	3,209.43
- Scrap	30.26	8.12
	8,069.80	6,966.83
Decrease/ (increase) in inventory	1,611.45	(1,102.97)
Detail of inventory		
Finished goods		
Leaf springs (conventional and parabolic)	3,758.94	3,458.05
Lift Axle	14.26	40.14
	3,773.2	3,498.19
Work-in-progress		
Leaf springs (conventional and parabolic)	2,589.47	4,512.97
Lift Axle	51.94	28.38
	2,641.41	4,541.35

23 Employee benefits expense

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, wages and bonus	5,431.53	5,382.15
Gratuity expense (Refer note 42)	25.14	68.36
Contribution to provident and other funds	282.16	275.90
Staff welfare expenses	242.78	287.88
Total	5,981.61	6,014.29

24 Other expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	2,795.44	3,220.25
Power and fuel	6,790.08	8,299.98
Job charges	841.73	886.08
Increase/(decrease) in excise on finished goods	2.84	(45.69)
Rent (Refer note 37)	278.25	240.91
Repair and maintenance		
- buildings	75.54	80.41
- plant and machinery	72.75	115.94
- others	151.62	120.98
Rates and taxes	70.94	64.61
Travelling and conveyance	509.96	535.20
Legal and professional fees	456.35	490.47
Payment made to auditors (Refer note 34)	41.63	40.85
Loss on sale of assets (net)	53.37	9.30
Sundry balance written off	72.93	332.18
Provision for doubtful advance	14.30	169.30
Provision for doubtful debts	21.54	41.52
Bad debts written off	150.76	10.09
Freight forwarding and packing	1,593.91	1,924.44
Sales promotion and advertisement	622.76	758.85
Selling expenses	929.25	955.94
Security Charges	20.51	18.82
Donation	6.94	10.28
Exchange fluctuation loss (net)	200.57	135.38
Miscellaneous expenses	423.39	547.76
Royalty	58.15	25.64
Total	16,255.51	18,989.49

25 Finance costs

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest		
- to banks	1,357.58	1,346.16
- to others	49.68	-
Amortisation of ancillary borrowing cost	120.31	21.88
Bank charges	879.48	1,305.99
Total	2,407.05	2,674.03

26 Depreciation and amortisation expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Depreciation on tangible assets	2,219.40	2,278.20
Amortisation on intangible assets	371.50	616.56
Total	2,590.90	2,894.76

27(a) Exceptional items

	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit on sale of investment*	(2,025.01)	-
Depreciation on custom duty capitalised on surrender of EPCG licenses**	39.26	-
Interest on surrender of EPCG licences**	229.99	-
Total	(1,755.76)	-

*Represents profit on sale of investment in NHK spring India Limited.

**During the year, the group has surrendered certain EPCG licenses and has paid duty and interest amounting to Rs.58.26 and Rs.229.99 respectively. Amount of duty has been capitalised as part of respective fixed assets and depreciated from date of put to use of such assets.

27(b) Prior period expenditure

	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw material consumed	61.42	-
Freight	22.11	-
Rates and taxes	16.50	-
Miscellaneous expenses	11.71	-
Total	111.74	-

28 Contingent liability

		As at 31 March 2014	As at 31 March 2013
i.	Income Tax	964.39	964.39
ii.	Claims against company not acknowledged as debts	385.49	753.79
iii.	Custom and Excise duty / Service tax	46.03	46.03
iv.	Sales tax	6.37	6.37
v.	Guarantee given by Company	5,000.00	5,000.00
vi.	Bank Guarantee	42.81	42.81
vii.	Import of machinery under Export Promotion of Capital Goods scheme	-	383.21
	Total	6,445.09	7,196.60

In relation to i above income tax matters contested by the Company comprise of

- 1) With respect to assessment year 2005-06, 2006-07 and 2008-09 the assessing officer has added to the income of the Company notional interest amounting to Rs.92.61 on certain interest free deposits given by it. Tax impact of the same is Rs. 31.47. The Company has preferred an appeal with CIT (A) and based on internal assessment and outcome of similar matter for other year is confident of a favourable decision.
- 2) With respect to assessment year 2008-09 and 2009-10 the assessing officer has disallowed certain expenses amounting to Rs.116.67 on adhoc basis. Tax impact of the same is Rs.39.66. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with its legal counsel is confident of a favourable decision.
- 3) With respect to assessment year 2009-10 the assessing officer has increased income of the Company by Rs.2,560.85 contending that the Company has concealed production and sales to that extent. Tax impact of the same is Rs.870.43. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with legal counsel, the management is confident of a favourable decision.
- 4) With respect to assessment year 2008-09 the assessing officer has disallowed certain penalties amounting to Rs.18.29 which were already disallowed by the Company while filing its return of income. Tax impact of the same is Rs.6.22. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with legal counsel, the management is confident of a favourable decision.
- 5) With respect to assessment year 2010-11 the assessing officer has disallowed certain expenses amounting to Rs.20.80 on various basis. Tax impact of the same is Rs.7.07. The Company has preferred an appeal with CIT (A) and based on internal assessment and discussion with its legal counsel is confident of a favourable decision.

In relation to iii above Customs and Excise matters contested by the Company comprise of

- 1) Matter pending with Central Excise and Service tax appellate tribunal (CESTAT) in respect of Cenvat Credit availed by the Company on Additional Duty of Custom paid while import of material during the year 2008-09. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs.40.24 (previous year Rs.40.24)
- 2) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Company on service tax paid on charges of Custom House Agent for export of finished goods after clearance from the factory for the period from November 2005 to March 2010. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs.2.62 (previous year Rs.2.62)
- 3) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Company on service tax paid to the transport agency for outward transportation of the goods for the period 2010 -2011. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs.3.17 (previous year Rs.3.17)

In relation to iv above sale tax matters contested by the company comprise of

- 1) Matter pending with High court Allahabad in respect of penalty demanded by sales tax department against incomplete information in Form 38 for the year 2009. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs.6.37 (previous year Rs.6.37)

29 Commitments

	As at 31 March 2014	As at 31 March 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	97.88	45.27
Lease Commitments (refer note 37 below)	-	12.07
Total	97.88	57.34

30 Dividend remitted in foreign currency

	For the year ended 31 March 2014	For the year ended 31 March 2013
Number of non-resident shareholders	2.00	2.00
Number of equity shares held on which dividend was due	2,608,509	2,608,509
Amount remitted in foreign currency	52.17	39.13

31 Value of import calculated at C.I.F basis

	As at 31 March 2014	For the year ended 31 March 2013
Raw material	256.90	1,248.31
Components and spare parts	305.71	354.00
Capital goods	-	684.46
Total	562.61	2,286.77

32 Expenditure in foreign currency (accrual basis)

	As at 31 March 2014	For the year ended 31 March 2013
Legal and professional expenses	51.14	153.11
Travelling and conveyance	87.16	52.33
Royalty	58.15	25.64
Total	196.45	231.08

33 Earning in foreign currency

	As at 31 March 2014	For the year ended 31 March 2013
Export at F.O.B. value	754.03	504.36
Total	754.03	504.36

34 Payment to auditors (excluding service tax)

	As at 31 March 2014	For the year ended 31 March 2013
As auditor		
- Audit fee	17.25	15.75
- Limited review fees	15.35	17.35
- Other services	5.81	3.17
Reimbursement of expenses	3.22	4.58
Total	41.63	40.85

35 Related party disclosures

I. Related parties with whom transactions have taken place during the year

A. Associates

MAP Auto Limited

B. Key managerial personnel and their relatives

Mr. B.S. Jauhar	Chairman
Mr. R.S. Jauhar	CEO and Executive Director
Mr.P.S. Jauhar	COO and Executive Director
Mr. S.P.S. Kohli up to 30th May 2013	President and Executive Director
Mr. H. S. Gujral wef 31st May 2013	Executive Director

C. Relatives of key managerial personnel

Mrs. Khem Kaur
Mrs. Sonia Jauhar
Mrs. Kiran Chadha

II. Enterprises controlled, owned or significantly influenced by individuals having significant influence over the Company or their relatives

Jamna Agro Implements Private Limited
S.W. Farms Private Limited
Map Auto Limited
Winthrop Marketing up to May 30, 2013

Transactions during the year

	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of fixed assets		
Map Auto Ltd.	-	14.16
Services received		
- Freight, forwarding and packaging		
MAP Auto Limited	391.52	679.94
- Commission expense		
Winthrop Marketing	2.24	12.20
- Job Charges		
Jamna Agro Implements Private Limited	74.49	56.22
MAP Auto Limited	239.78	82.78
- Facility sharing		
MAP Auto Limited	18.26	215.61
Managerial remuneration	-	
Mr. R.S. Jauhar	140.30	122.71
Mr.P.S. Jauhar	146.99	111.28
Mr.S.P.S.Kohli	-	89.70
Mr. H. S. Gujral	11.70	-
Mr. B.S. Jauhar	96.11	99.82
Remuneration to others	-	
Mrs. Kiran Chadha	18.16	21.83
Rent		
Mr.P.S. Jauhar	18.85	17.16
Mrs.Sonia Jauhar	33.61	27.95
S.W. Farms Private Limited	21.53	17.71
Mr.R.S. Jauhar	2.40	2.40

Rent income	-	
MAP Auto Limited	2.05	1.95
Loan taken		
SW Farms Private Limited	701.50	-
Loan repaid		
SW Farms Private Limited	320.00	-
Interest paid on loan		
SW Farms Private Limited	49.68	-
Loan Given		
MAP Auto Limited	-	200.00
Loan recovered		
MAP Auto Limited	200.00	-
Interest received on loan		
MAP Auto Limited	14.50	22.48
Guarantee and collaterals		
Personal guarantees given by promoters		
Mr. R. S. Jauhar	1,800.00	10,500
Mr. P. S. Jauhar	-	10,500

b) Balances with related parties:

Outstanding balances as at year end	As at 31 March 2014	As at 31 March 2013
Accounts receivables from related parties		
Winthrop Marketing	0.45	0.40
MAP Auto Ltd - Loan		220.23
Mr. B. S. Jauhar	0.95	0.95
Mr. P. S. Jauhar (Security deposit)	7.50	7.50
Mr. R. S. Jauhar (Security deposit)	7.50	7.50
Accounts payable to related parties		
MAP Auto Limited - Logistic	17.15	113.06
Jamna Agro Implements Private Limited	0.30	9.37
Mr. R. S. Jauhar	-	5.06
Mr. P. S. Jauhar	-	4.82
Mr. S. P. S. Kohli	-	32
Guarantee and collaterals		
Personal guarantee given by promoters for borrowings of the Group		
Mr. B. S. Jauhar	-	3,932
Mr. R. S. Jauhar	49,654.00	47,854
Mr. P. S. Jauhar	49,654.00	51,786
Pledge of shares by promoters	-	
Mr. B. S. Jauhar	34,224	34,224
B. S. Jauhar (HUF)	-	8,600
Mrs. Khem Kaur	-	-
Mr. R. S. Jauhar	387,740	387,740
S. W. Farms Private Limited	340,000	340,000
Randeep Investment Private Limited	-	881,610
MAP Auto Ltd.	890,210	-

36 Earning per share

	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit after tax	1,384.00	2,772.74
Less: Dividend on 12.5% optionally convertible cumulative preference shares for the year ended March 31, 2014	38.39	51.19
Net profit for the period attributable to equity shares	1,345.61	2,721.55
Weighted average number of equity shares during the period in calculating basic EPS	39,500,027	39,479,325
Add: Stock options granted under ESOP	324,785	201,123
Weighted average number of equity shares during the period in calculating diluted EPS	39,824,812	39,680,448
Basic EPS	3.41	6.89
Diluted EPS	3.38	6.86

37 Obligation on long term non-cancellable operating lease

The Company had taken Lucknow plant space on operating lease. The lease rentals charged during the year in respect of cancellable and non-cancellable operating leases and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in the agreement are as follows:

	For the year ended 31 March 2014	For the year ended 31 March 2013
Lease rental expense	278.25	240.91
Total future minimum lease rental payable	As at 31 March 2014	As at 31 March 2013
Within one year	-	12.07
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	-	12.07

38 Segment Information

(a) Business segment

The Group is engaged in the business of manufacturing and selling of parabolic/tapered leaf Spring. The entire operations are governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment.

Since the Group's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting' other than those already provided in the Financial Statements.

(b) Information on secondary/ geographical segment

The analysis of geographical segment is based on the geographical location of the customers. The Group operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Group has assessed that they carry same risk and rewards. The Group has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- domestic
- Overseas

The following is the distribution of the Group's consolidated revenue of operations by geographical market, regardless of where the goods were produced:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Turnover (gross)		
Domestic	88,631.79	105,049.80
Overseas	797.08	526.00
Total	89,428.87	105,575.80
	As at 31 March 2014	As at 31 March 2013
Trade receivables		
Domestic	10,705.75	10,531.04
Overseas	130.05	154.63
Total	10,835.80	10,685.67

All other assets (other than trade receivables) used in the Group's business are located in India and are used to cater both the customers (domestic and overseas), accordingly the total cost incurred during the period to acquire tangible and intangible fixed assets has not been disclosed.

39 Share based compensation

- (A) The Company has issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the Schemes are administered by the Compensation Committee constituted pursuant to SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. All the permanent employees of the company and the subsidiaries, including Directors but excluding promoters of the Company are eligible to participate in the Schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

The stock option shall vest proportionately over the period of 5 years from the date of grant in the ratio of 15% for the first year, 20% for second to fourth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issue at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the company.

ESOP Scheme	Members approval	Number of options
ESOP Scheme-2006	January 25, 2007	314,000
ESOP Scheme-2008	July 1, 2008	Not more than 5% of the paid up equity shares capital of the company as on March 31, 2012

Date of Grant	Number of options granted	Exercise Price (Rs. in absolute term)	Market price (Rs. in absolute term)
ESOP Scheme-2006			
25.01.2007	257,000	30.62	30.62
25.08.2007	57,000	44.20	44.20
ESOP Scheme-2008			
08.02.2010	867,461	54.95	54.95
05.08.2010	361,250	120.65	120.65

(B) Summary of stock options

		For the year ended 31 March 2014		For the year ended 31 March 2013	
1	Options outstanding at the beginning of the year	621,500	71.33	853,775	67.43
	Options granted during the year	NIL	NIL	NIL	NIL
	Options forfeited / lapsed during the year	116,275	65.45	132,872	63.87
	Options exercised during the year	3,750	63.15	99,403	122.50
	Options outstanding at the end of the year	501,475	72.83	621,500	71.33
	Options exercisable at the end of the year	324,785	72.83	277,720	67.13

(C) Weighted average shares price on the date of exercise of the options is Rs.63.15 (Previous year Rs.122.50)

(D) Range of exercise price and weighted average remaining contractual life of stock options outstanding

For the year ended 31 March 2014			For the year ended 31 March 2013		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life
9425	30.62	0.83 years	10725	30.62	0.63 years
1500	44.2	1.42 years	1500	44.2	0.98 years
350350	54.95	2.60 years	450075	54.95	3.10 years
140200	120.65	2.57 years	159200	120.65	3.60 years

(E) Weighted average fair value of options: The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-

	For the year ended 31 March 2014	For the year ended 31 March 2013
Risk free interest rate	*	*
Expected life	*	*
Expected Volatility (%)	*	*
Expected Dividend (%)	*	*
Price of underlying shares in the market at the time of option grant	*	*

*Not applicable since the company has not granted stock options during the year

(F) 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) Guide Lines 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.

There would be no impact on the profit or earnings per share had the company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

40 Imported and indigenous raw material, components and spare parts consumed

	As at 31 March 2014		As at 31 March 2013	
	% of total consumption	Value	% of total consumption	Value
Raw material and components				
Imported	1.42%	775.74	2.51%	1,643.11
Indigenous	98.58%	53,929.00	97.49%	63,921.29
	100.00%	54,704.74	100.00%	65,564.40
Spare parts				
Imported	0.06%	1.60	0.91%	29.25
Indigenous	99.94%	2,793.84	99.09%	3,191.00
	100.00%	2,795.44	100.00%	3,220.25

41 Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure

	Currency	As at 31 March 2014		As at 31 March 2013	
		Amount in foreign currency (in lacs)	Rupee in equivalent	Amount in foreign currency (in lacs)	Rupee in equivalent
Trade receivables	USD	2.16	130.05	2.86	154.63
Trade payables	USD	0.91	54.51	21.20	1,146.60
	EURO	-	-	0.50	34.81
	JPY	-	-	104.52	60.40
Loans	EURO	7.33	605.78	8.62	599.43
	JPY	372.79	219.30	559.18	322.98

42 Employee benefits

The Group has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months. The benefit vests on the employees after completion of 5 years of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following table summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

Balance Sheet

	31 March 2014	31 March 2013
Changes in the present value of the defined benefit obligation are as follows:		
Obligations at the beginning of the year	379.67	318.52
Service Cost	41.01	41.92
Interest Cost	31.84	26.99
Actuarial (gain) / loss	(27.61)	18.53
Benefits paid	(43.29)	(26.29)
Obligations at the end of the year	381.62	379.67
Changes in the fair value of the plan assets are as follows:		
Fair value of planned assets at the beginning of the year	208.71	215.89
Expected return on plan assets	17.99	19.97
Contributions	4.52	0.03
Benefits paid	(43.29)	(26.29)
Actuarial gain / (loss) on planned assets	2.12	(0.89)
Fair value of planned assets at the end of the year	190.05	208.71
Net liability recognized	191.57	170.96
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		

Current service cost	41.01	41.92
Interest cost on obligation	31.84	26.99
Expected return on planned assets	(17.99)	(19.97)
Net actuarial (gain) /losses	(29.72)	19.42
Net expense to be recognised	25.14	68.36
Assumptions used in accounting for the gratuity plan		
Discount rate	8.75%	8.50%
Expected rate of salary increase	6.00%	6.00%
Expected rate of return on planned assets	8.75	9.25
Normal retirement age	58 years	58 years
The Group expects to contribute Rs.66.37 (previous year Rs.44.54) to gratuity in next year.		
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Experience adjustments:

The disclosure relating to experience adjustments have not been given in the financial statements, the management is of the view that the same will not be material to the overall financial statement disclosure and presentation.

- 43** The Company, during the year has carried a detailed exercise to identify stocks that are no longer required for various reasons and has accordingly disposed off such stocks. The loss, which is estimated around (Rs.618) has been included in the consumption of raw materials (Rs.225), consumption of components, stores and spares (Rs.321) and change in inventories of FG and WIP (Rs.347) less scrap sale of Rs. 275 which is included in other operating income.
- 44** Employee benefit expenses under note 23 include Rs.191.33 towards director's remuneration. This amount is in excess of permissible remuneration determined under the Companies Act, 1956. Management is in process of filing an application with the central government for approval of payment of salary to the directors in excess of permissible limits. Pending such approval from the government, management has taken a confirmation from the director that they shall refund the amounts in the event of such approvals being refused.
- 45** The Company has been allotted land at Chennai by SIPCOT. While the final relief date for the commercial production is in July 2014, the management on the basis of discussions, is confident that it shall be able to resolve the issue amicably with the State Government and no provision is required in this regard.
- 46** Previous year financial statements were audited by other auditor.
- 47** Previous year numbers have been regrouped / reclassified wherever necessary.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E

per **Vikas Mehra**
Partner
Membership No.: 94421

For and on behalf of the Board of Directors of
Jamna Auto Industries Limited

P.S. Jauhar
COO & Executive Director
DIN : 00744518

Praveen Lakhera
Company Secretary & Head-Legal

R.S. Jauhar
CEO & Executive Director
DIN : 00746186

Vivek Bhatia
Chief Financial Officer

Place: Gurgaon
Date: May 29, 2014





Place: New Delhi
Date: May 29, 2014



Jamna Auto Industries Ltd.

FORM A

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

1.	Name of the Company:	Jamna Auto Industries Ltd.
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Matter of Emphasis Auditors have drawn attention to note no. 44 of financial statements stating that remuneration of Rs. 191.33 lakhs being paid to the executive and whole time directors is in excess of permissible remuneration under the Companies Act, 1956.
4.	Frequency of observation	Qualified for the first time Management has filed an application with the Central Government for approval of payment of salary to directors in excess of permissible limits. Pending such approval from the government, management has taken a confirmation from the directors that they shall refund the amounts in the event of such approvals being refused..
5.	To be signed by	
	• Mr. P. S. Jauhar (COO & Executive Director)	
	• Mr. Vivek Bhatia (Chief Financial Officer)	
	• M/s S R Batliboi & Co; LLP (Statutory Auditor)	
	• Mr. C. K. Vohra (Audit Committee Chairman)	

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