



Jamna Auto Industries Limited

# ANNUAL REPORT

2014-15



CRUISING AHEAD...

# CONTENTS

02	Corporate Information
04	Chairman's Letter
06	JAI Today
07	Products
08	Facilities
09	Customers
10	Milestones
11	Growth Strategy
12	Corporate Social Responsibility
15	Ten Year Financial Summary
16	Management Discussion & Analysis
20	Directors' Report
35	Report on Corporate Governance
48	Auditor's Report
52	Balance Sheet
53	Statement of Profit & Loss
54	Cash Flow Statement
56	Notes to the Financial Statements
87	Consolidated Auditor's Report
91	Consolidated Financials

**Jamna Auto Industries (JAI) Limited** is India's market leader in automotive suspension solutions. We are the only Indian company to provide a 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 suspension systems and new market segments, including the aftermarket and exports.





# At **JAI** FY2015 has seen us

...**deliver growth** that has outperformed industry

...**strengthen our leadership** position through increase in market share

...**continue to diversify** into new technology suspension systems and new market segments including the aftermarket and exports

...**achieve leaner metrics** to strengthen the balance-sheet and maintain our competitiveness and leadership position

**Moving towards achieving our vision of becoming  
a 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

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

**Mr. Karthik Athreya**  
(Alternate Director to Dr. Pierre Jean Everaert)

**Mr. Jainender Kumar Jain**  
Director

**Mr. Chander Kailash Vohra**  
Director

**Mr. Uma Kant Singhal**  
Director

**Mr. Shashi Bansal**  
Director

**Mr. Rakesh Kalra**  
Director

**Ms. Payal Chawla**  
Director

## 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) and CFO

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

**Mr. AK Goyal**  
Unit Head Malanpur Plant

**Mr. AR Nanjanath**  
Unit Head Chennai & Hosur Plant

**Mr. Jagdish Adlakha**  
Unit Head Yamuna Nagar & Jamshedpur Plant

**Mr. Madhukar Sharma**  
Global Head After Market

**Mr. Bhupesh Mehta**  
Vice President Commercial

**Mr. Sudheer Chandele**  
Head Manufacturing - Jamshedpur Plant

**Mr. T Valiappan**  
Head Manufacturing - Chennai Plant

**Mr. JJ Mohan**  
Head Corporate Quality

**Mr. Praveen Lakhera**  
Company Secretary & Head Legal

**Mr. Sudhanshu Kulshrestha**  
Head Marketing (OEM - India)

**Mr. Ved Prakash Singh**  
Head Corporate HR

#### **ADVISORS**

AZB & Partners  
Lakshmi Kumaran & Sridharan

#### **TECHNICAL ASSISTANCE**

Ridewell Corporation, USA

#### **BANKERS**

State Bank of India  
Kotak Mahindra Bank Ltd.  
Standard Chartered Bank  
HDFC Bank  
Lakshmi Vilas Bank  
ICICI Bank Ltd.  
YES Bank  
Axis Bank  
SBER Bank

#### **AUDITORS**

S. R. Batliboi & Co, LLP  
Chartered Accountants

#### **INTERNAL AUDITORS**

M/s Protiviti Risk & Business Consulting (w.e.f April 1, 2015)  
K. Khanna & Associates (upto March 31, 2015)

#### **REGISTRAR & SHARE TRANSFER AGENT (RTA)**

Skyline Financial Services (P) Ltd  
D-153 A, First Floor, Okhla Industrial Area, Phase – I,  
New Delhi-110020  
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.: +91-11-26893331, 26896960  
Fax: +91-11-26893180

#### **PLANTS**

- i) Jai Springs Road, Industrial Area,  
Yamuna Nagar – 135 001, Haryana
- ii) U-27-29, Industrial Area, Malanpur,  
District Bhind– 477116, Gwalior, M.P.
- iii) Plot no. 22-25, Sengundram Village,  
Maraimalainagar Industrial Complex,  
Singaperumal Koil Post, District  
Kanchipuram - 603 204, Chennai,  
Tamil Nadu
- iv) 262 - 263, Village Karnidih, Chandil,  
District Saraikella, Kharswan - 832401,  
Jamshedpur, Jharkhand
- v) Thally Road, Kalugondapalli Post,  
Hosur, District Krishnagiri-635114,  
Tamil Nadu

#### **UNDER SUBSIDIARY ENTITY**

##### **JAI SUSPENSION SYSTEMS LLP**

Plot no. 50A, Sector-11, I.I.E., Pant Nagar,  
District Udham Singh Nagar - 263153,  
Uttarakhand

#### **REGISTERED OFFICE**

Jai Springs Road, Industrial Area,  
Yamuna Nagar-135001 (Haryana)  
Ph.: +91-1732-251810/11/14  
Fax : +91-1732-251820  
CIN L35911HR1965PLC004485



# CHAIRMAN'S LETTER

*Dear Shareholders*

The year gone by witnessed strong acceleration towards our goal of becoming a leader in automobile suspension solutions. The return of positive sentiments to the domestic commercial vehicle (CV) industry, coupled with our strategic focus on new generation products and new markets, saw Jamna Auto Industries (JAI) deliver growth in our net revenues. In FY15, revenues were Rs 1,095 crore, up from Rs 833 crore in FY14. Consolidated EBITDA was Rs 95 crore in FY15, compared to Rs 67 crore in FY14, while consolidated net profit increased in FY15 to Rs 29 crore, compared to Rs 14 crore in FY14. JAI emerged as a clear outperformer in the year with volume growth in Leaf Springs and in our new product, Lift Axles, as we increased share of business with key customers.

Demand for commercial vehicles is directly linked to the macro-economic environment, especially manufacturing, mining and construction. Other key elements include the fluctuating value of the rupee, fuel prices and financing availability. On all these fronts, the past few years have been very challenging. However, increased policy interventions to push for growth in infrastructure projects by the new government, improvements in macro-economic trends and an uplift in investment sentiments have begun to push the CV industry out of the woods and towards a comprehensive turnaround.

In FY15, total CV sales volumes, including export sales, were at 700,743 units, translating into another year of de-growth. However, the decline was considerably narrowed down at 1.3%, with the Medium and Heavy Commercial Vehicle (M&HCV) sub-segment springing back to robust growth of 17.4% at 263,407 units. CV exports were also up 11.3% in the year to reach 85,782 units, taking its share in total volumes up to 12.2%. Although the Light Commercial Vehicle (LCV) segment decline was still significant with 9.9% volume degrowth, it is expected to pick up soon as recovery in the LCV segment usually follows with a lag to the M&HCV segment. Unification of India into one single market through the Goods and Services Tax (GST) is expected to lead to significant improvement in supply chains and reduction in costs. This, in turn, will lead to consolidation of warehouses paving the way for large stocking points and efficient transportation methods which augurs well for the Indian CV industry.

The positive results from our internal Project 'Lakshya' have well-positioned JAI to ride the CV upcycle. As mentioned in our earlier annual reports, 'Lakshya' has been carefully designed to strengthen our business model by diversification in products and markets to protect against the cyclical nature of our business.



JAI is India's largest and amongst the world's top three players in Multileaf Springs. Over the years, we have been continuously expanding our product range. During FY15, we expanded our share in the domestic OEMs market for Multileaf Springs. Our sales of Lift Axles in FY15 increased, and we also witnessed increased market response for air suspension.

We have emerged as a pioneer in adoption of new technologies, buoyed by our extensive in-house research & development programmes. Our focus on R&D innovations has always been a priority. We also have associations with global leaders like Ridewell Corporation, USA, with whom we have collaborated for design and manufacturing of Air Suspension and Lift Axles. Over time, we are witnessing an increase in the value of our products per vehicle. With increased adoption of our portfolio of new generation products in the country, we see this growing further.

The poor condition of roads in India and subsequent increased wear and tear of parts, especially suspension parts, is increasing the need for high quality replacement parts which is strengthening the CV aftermarket in India. This is a market JAI is well positioned to capture. We have been building awareness of the quality and efficiency benefits of JAI products in the aftermarket by working closely and networking with drivers and service centers. We also see strong potential for our products in the global aftermarket.

JAI has, in the past, successfully exported to global majors

such as Ford and GM. In India, we are already approved vendors with multinational OEMs operating in the country. We now plan to expand our relationship with these global players as an optimal sourcing base for their global requirements.

FY15 was a pivotal year in which JAI made **significant headway in our goal to become a leader in automobile suspension solutions.** Our 'Project Lakshya' has been carefully designed to ensure our goal is achieved by setting aggressive targets

The diversification in markets helps protect against cycles in the domestic market. It also opens up new avenues for scalable growth and leads to improvements in working capital cycle.

We have the potential to become a hub for global OEMs and are in the process of building meaningful capacities to increase our presence in exports and the aftermarket segment. We continue to invest from internal generations to increase capacity and reorganize existing capacities to ensure dedicated lines for new generation commercial vehicles. In FY16, we plan to spend Rs 75 crore to expand capacity by 30,000 MTPA which will come on line by Q1FY17 at our Hosur plant. The new line is focussed on new generation products and exports.

ROCE improvement is a major target in Lakshya. We saw significant improvement in FY15 with ROCE at 22%, compared to 12% in FY14. Going forward, we plan to have our net block equal to net worth in the next two years. FY15 saw us continue to strengthen the balance-sheet with reduced leverage and healthy cash flows with Rs 78 crore of free cash flow in FY15 and our total debt including current maturities reduced from Rs 125 crore in FY14 to Rs 64 crore in FY15.

The performance in the last quarter of FY15 has been very encouraging and sets the pace for growth going forward – our consolidated revenues increased to reach Rs 342 crore in Q4'FY15, against Rs 245 crore in Q4'FY14. Our Consolidated PAT in Q4'FY15 was Rs 15 crore, compared to Rs 3 crore in Q4'FY14, led by improvement in operating margins and reduction in finance costs.

As a testament to our financial performance, we achieved continuous improvement in our credit ratings. In FY15, ICRA upgraded our ratings: Long Term Rating from LBBB- to A-, Short Term Rating from A3 to A2+ and further improved Long term rating to 'A' and Short term 'A1' in the month of April 2015.

FY15 was a pivotal year in which JAI made significant headway in our goal to become a leader in automobile suspension solutions. Our 'Project Lakshya' has been carefully designed to ensure our goal is achieved by setting aggressive targets. In order to improve liquidity of the company's shares in the stock markets, it is proposed to sub-divide (stock split) each Equity Share of Rs 10 each into 2 Equity Shares of Rs 5 each.

The on-going recovery in automotive sector augurs well for JAI. JAI is well-positioned to maximize growth and returns as it develops new growth drivers in higher margin replacement market, new value added products aided by strong cash accruals and strengthened balance-sheet.

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

# JAI TODAY

JAI is one of the world's leading players in automobile suspension solutions

Six state of the art strategically located plants manufacturing high technology suspension systems

India's largest and amongst the world's top three manufacturers of Multileaf springs with a growing presence in Parabolic Springs, Lift Axles and Air Suspensions

Supplying to Global and Domestic Commercial Vehicle Original Equipment Manufacturers with a successful track record of consistently delivering best in class quality

Potential to become a hub for global OEMs and in the process of building meaningful capacities to increase our presence in exports and the aftermarket segment

Pioneers in adoption of new technologies on the back of our extensive in-house research & development programmes Technical Assistance Agreement with Ridewell Corporation, USA, for design and manufacturing of Air Suspensions and Lift Axles







## What We Make

### PRODUCT LEADERSHIP IN SUSPENSION SOLUTIONS

Largest capacity in India at state-of-art facilities



#### Multi-Leaf Springs

JAI is the market leader in Multileaf Springs with a domestic OEM volume share of 64%. We manufacture a comprehensive range of Multileaf Springs ranging from 3Kg to 200 Kg.



#### Parabolic Springs

JAI was among the first to introduce Parabolic Springs in India and today leads the market. Parabolic technology improves the ride comfort, gives much better vehicle life and costs less.



#### Air Suspension

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 Axle

JAI introduced Lift Axles in FY13 and is already supplying this product to Ashok Leyland.

# Our Manufacturing Edge

Six plants that are strategically located close to customer and export hubs

Six plants across India supplying to all major OEMs



Map not to Scale

All major truck manufacturers use JAI's products

# BEST-IN-CLASS CUSTOMERS

## Domestic Customers



## International Customers



# OUR JOURNEY

## Continuous evolution and expansion

From a small shop setup to a leader in automobile suspension solutions with Rs 1,000 crore + turnover

Started in 1954 with Multileaf Springs Incorporated as a company in 1965 Launched Parabolic Springs in 1988



1954- 1990

1991: Expands production to Central India: new plant at Malanpur near Gwalior, Madhya Pradesh  
1999: Expands production to South India with new plant at Chennai to cater to key customer - Ashok Leyland and exports

1991- 2000

### Product Expansion

Rs 1000 crore+ Turnover

### Geographical Diversification

Rs 500 crore+ Turnover

Rs 200 crore+ Turnover

Rs 100 crore+ Turnover

- Entered into technical assistance agreement with Ridewell Corporation USA for Air Suspension and Lift Axle Clearwater
- Purchased land in Chennai for setting up facility for air suspension and lift axle
- Tata Motors converts 2 models into parabolic springs
- Starts assembly plant at Pantnagar, Uttarakhand (under subsidiary)
- In-house R&D center set up at Malanpur
- Strategic acquisition of Tata Motors Ltd's springs manufacturing plant in Jamshedpur in 2007
- Investment by Clearwater Capital Partners
- Filed patent application in India for Air Suspension
- Jamshedpur Plant
- Commissioned Assembly unit in Lucknow
- Bought land in Hosur
- Listed in NSE Promoters and Capital infused
- Started fresh equity
- Supplies to UD Trucks, Japan (Volvo subsidiary), Mahindra Navistar, Ashok Leyland Nissan started
- Launched "Lakshya" an aggressive internal strategic plan for global leadership and sustainable growth
- Agreement to supply lift axles signed with Ashok Leyland
- Started developing springs for Bharat Benz
- Purchased land in Pune
- Bought additional land in Malanpur and Yamuna Nagar
- Launched Lift Axle and Air Suspension Products
- Capacity expansion at Malanpur completed
- Supplies to Bharat Benz and Renault Nissan
- Commenced Production in Hosur plant
- Expansion at Malanpur completed
- Sells investment in NHK spring India at a profit of Rs 20 crore
- OEM market share increased to 64% from 57%
- Expansion at Hosur Plant started
- Long Term Credit Rating at "A"
- Short Term Credit Rating at "A1"

FY 03 FY 04 FY 05 FY 06 FY 07 FY 08 FY 09 FY 10 FY 11 FY 12 FY 13 FY 14 FY 15

Ready for Level Next

# PROJECT LAKSHYA: LAUNCHED ON APRIL 2012

JAI's medium term strategy focused on value creation

	Product Derisking	Diversifying Markets	Maximizing Efficiency
Operational Goals	33% Revenue from New Products	33% Revenue from New Market	33% Break Even Point
Financial Goals	33% ROCE	33% Dividend Payout	Net Block to be funded by New Worth



# Focused on our responsibilities

## CREATING A CYCLE OF CHANGE

We will continue to expand the horizon of these broad categories.

### Environment conservation and sustainability

#### Our Focus

- Increasing green cover
- Waste management
- Water conservation
- No to plastic
- Creating awareness

#### Our Achievements

- Installed 15 solar lights in surrounding villages at Jamshedpur to promote solar energy.
- Planted 5,120 tree saplings all over locations.
- Recycled 120 tonnes of waste into vermi-compost through segregating waste into bio-degradable and degradable form.
- Conserved water by encouraging water saving techniques.
- Discouraged use of plastic bottles by replacing with glass bottles.
- Sensitized almost 12,800 beneficiaries on conservation of natural heritage.



### Promotion of education

#### Our Focus

- Scholarship
- Quality Education
- Academic Support Classes
- Promotion of Girl Child

#### Our Achievements

- Scholarship to more than 275 School and College students belonging to under-privileged families.
- Supported six Government Schools and three colleges to ensure quality education for almost 3,600 rural students by developing infrastructure and basic facilities.
- Extra educational support to approximate 140 needy children who are weak in studies and out of school by setting up non-formal education centers (Jamna Phulwari) at Delhi, Malanpur, and Jamshedpur.
- Computer training to 60 students and unemployed youths at Yamuna Nagar and Delhi.



## Promotion of Sports

### Our Focus

- Sports promotion
- Nurturing Talent

### Our Achievements

- Developed interest and facilities for student and local level youths by distributing sports equipment and organizing sports events at the district level.
- Organized "Inter School Athletic Meet-2014" at G.G.S. Institute, Yamuna Nagar that saw participation from 200 students from twelve Government and Public Schools.
- Formed and strengthened "Jamna Football Team" at Jamshedpur by involving local youths.
- Nurtured 31 National/International Star Sports persons by providing financial support for coaching, diet, equipment, boarding and loading fee etc. at university level.



## Community Outreach

### Our Focus

- Basic Infrastructure
- Healthcare
- Livelihood Training
- Women Empowerment
- Social Empowerment

### Our Achievements

- Facilitated basic facilities in adopted villages like providing potable water and improving their infrastructure
- Ensured basic health facilities and awareness for more than 8,875 beneficiaries at grassroots level across JAI locations. Supported 13 patients that were operated for cataract problems and one for cleft palate
- Distributed blankets, clothes, food items, bicycles, to senior citizens, widows and orphans
- Enhanced livelihood skills among 60 unemployed women by providing them Advance Training in stitching and tailoring in collaboration with USHA International
- Social empowerment of more than 13,500 girl child and women on gender issues by creating social awareness activities





# Ten Year Financial Summary

Operational Results (Rs in Lacs)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Sales	118,522	89,383	105,576	120,427	99,799	66,148	52,062	54,119	32,372	21,043
Less Excise Duty	9,021	6,053	7,561	8,462	9,473	4,842	6,133	7,416	4,574	2,912
Net Sales	109,501	83,330	98,015	111,965	90,326	61,306	45,929	46,703	27,798	18,131
Other Income	201	202	234	197	174	268	797	341	227	54
Total Income	109,701	83,532	98,249	112,163	90,500	61,575	46,726	47,044	28,025	18,185
Operating Profit (PBDITA)	9,650	6,669	8,784	10,569	10,821	7,980	3,744	6,077	2,503	1,843
Interest	1,802	2,407	2,674	1,882	2,170	2,617	3,554	2,694	1,243	1,160
EBDT	7,848	4,262	6,110	8,687	8,651	5,363	190	3,383	1,260	683
Depreciation & Amortization	3,110	2,591	2,895	3,215	3,201	2,938	1,798	1,285	549	399
Profit Before Tax and other items	4,738	27	3,215	5,472	5,450	2,425	-1,608	2,098	711	283
Exceptional Items -(Gain)/(loss))	-	1,644	-	350	30	-36	-	90	-	-
Profit Before Tax	4,738	1,671	3,215	5,122	5,421	2,460	-1,608	2,008	711	283
Tax	1,549	391	10	8	431	10	46	43	32	15
Deferred Tax Credit	251	-104	433	895	1,270	540	-397	358	46	191
Profit After Tax	2,938	1,384	2,773	4,219	3,720	1,911	-1,257	1,606	632	78
Cash Profit/ (Loss)	6,049	3,975	5,668	7,434	6,921	4,849	541	2,891	1,181	477
<b>Financial indicator</b>										
Assets	24,972	26,158	28,255	27,374	20,399	16,754	15,694	13,261	6,364	5,416
Investments	-	-	525	525	525	525	525	527	1,208	1,208
Current Assets	20,641	24,486	27,210	31,029	26,850	17,586	15,450	18,941	8,060	7,651
Non Current Assets	3,993	3,260	4,628	4,296	4,415	-	-	-	-	-
Equity Share Capital	3,962	3,950	3,950	3,940	3,928	3,654	3,653	3,387	1,771	876
Preference Share Capital	-	175	350	350	350	350	350	350	-	-
Reserves & Surplus	15,680	14,035	13,150	11,317	9,158	4,153	3,098	3,315	-261	844
Net Worth	19,642	18,161	17,045	14,643	11,695	5,444	4,311	5,116	940	751
Long Term Funds	6,330	10,247	8,560	10,869	6,563	10,585	13,808	11,253	8,431	6,391
Medium/ Short Term Funds	97	2,281	8,059	7,405	7,251	295	382	3,624	57	950
Working Capital From Banks		-	-	-	-	1,002	1,928	2,699	1,497	1,263
Non Current Liabilities	2,117	1,905	1,925	1,390	1,374	-	-	-	-	-
Current Liabilities & Provisions	25,213	24,990	28,995	31,973	23,565	18,553	12,793	11,193	4,908	5,166
<b>Ratio</b>										
EBIDT to sales %	9	8*	9	9	12	13	8	13	9	10
EBIT to Sales %	7	5	6	7	8	8	4	10	7	7
PBT to Sales %	4	2	3	5	6	4	-4	4	3	2
EBDIT/Avg. Capital Employed	33	20	30	44	52	58	24	44	27	20
EBIT/Avg. Capital Employed (ROCE)	22	12	20	31	37	37	13	35	21	16
PAT/Net Worth	15	8	16	29	32	35	-29	31	67	10
EPS (Rs)	7.4	3	7	11	10	3	-4	6	5	1
Dividend Per Share (Rs)	2.20	1	2	4	2	Nil	Nil	Nil	Nil	Nil
Net Worth Per Share (Rs)	50	46	43	37	30	15	39	23	7	9

\* Excluding exceptional and prior period items is 6%.



# Management Discussion & Analysis

## How do you view the performance of the Indian automobile industry, particularly commercial vehicles (CV), in the current year? As per JAI, how will the industry fare in the future and what will be the future growth drivers?

After two years of sluggish performance, FY15 closed on a brighter note for the Indian automotive industry. The overall auto industry, including domestic and export sales, grew 8.3% YoY to reach 23,326,386 units, after a tepid growth of 4.1% in FY14 and 1.9% in FY13. The commercial vehicles (CV) segment, which de-grew steeply by 18.7% in FY14, arrested its decline at -1.3% for FY15 and reported sales of 700,743 units. The recovery in the segment is being led by Medium & Heavy CV (M&HCV) sub-segment of the market.

The M&HCV sub-segment bounced back to robust growth of 17.4% YoY in FY15 to reach 263,407 units, making it the fastest growing automotive segment. The growth in M&HCV can be primarily attributed to increase in infrastructure investment, renewal of mining activities, improved replacement demand and improved consumer sentiments on the domestic front. Other factors that aided the recovery include fall in diesel prices, softening of interest rates and expected pick-up in infrastructure activities under the new Government. Light Commercial Vehicle (LCV) segment continued to experience sluggishness mainly due to overcapacity, slowdown in rural demand with unseasonal rains and financing constraints. LCV segment declined 9.9% YoY in FY15 and reported sales of 437,336 units.

The CV industry is closely linked with the overall economic performance of the country. The M&HCV market is cyclical but, on an average, grows 1.5x GDP growth. We, at JAI, are very excited about the future of the CV industry. The economic

environment looks promising with India's growth estimated at ~8.5% in FY16 (as per The Economic Survey), compared to ~7.3% in FY15. Although the Light Commercial Vehicle (LCV) segment decline was significant, it is expected to pick up soon as recovery in the LCV segment usually follows with a lag to the M&HCV segment.

SIAM expects the domestic CV industry to grow in double digits at 10-13% for FY16. All CV segments are witnessing improving trends with M&HCV leading the growth, with an expected 12-14% growth in FY16, driven by replacement-led demand, favourable pricing trends, firm freight rates and low fuel prices. Unification of India into one single market through the Goods and Services Tax (GST) is expected to lead to significant improvement in supply chains and reduction in costs. This, in turn, will start the process of consolidation of warehouses paving the way for large stocking points and efficient transportation methods which augurs well for growth of the Indian CV industry.

We project similar growth for FY16 and expect FY17 to be an even better year. With outlook for infrastructure projects, coal mining and roads projects improving, we expect the CV industry to return to its 2012 peak levels. New government initiatives such as 'Make in India' and 'Smart City' will give a further boost to the domestic CV industry.

While the domestic OEM, our core market, is well placed in view of the Indian economy upswing, exports to OEMs is a fast growing lucrative opportunity. India has an inherent advantage of low cost manufacturing and can develop as a hub for global OEMs. Foreign-based OEMs are looking to source greater components from India. We also feel that with the increasing

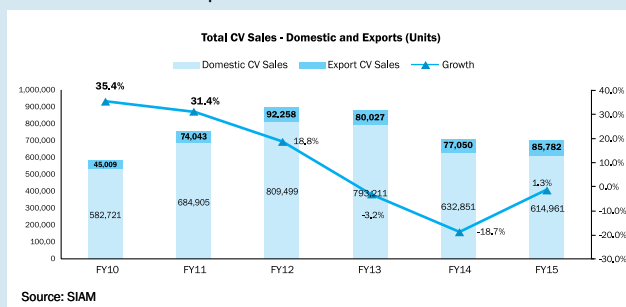
## Commercial Vehicles move towards recovery in FY15

### Commercial Vehicles Industry emerging from downturn, exports post healthy growth

The Commercial Vehicle (CV) segment in India, that started its downcycle in FY13, started emerging towards recovery in FY15 with improving economic outlook and consumer sentiments under the new Government.

Indian CV sales, including exports sales, reduced its decline to 1.3% in FY15, after a steep fall of -18.7% in FY14, with signs of recovery in the domestic CV segment and strong growth in CV exports to reach 700,743 units as per SIAM. Domestic CV sales narrowed down its de-growth to 2.8% in the year after falling down 20.2% in FY14. Amongst CV sub-segments Medium & Heavy Commercial Vehicle (M&HCV) showed robust growth while the Light Commercial Vehicle (LCV) continued to experience slowdown. CV exports rebounded back to positive growth territory reporting 11.3% growth in FY15. The CV exports

have grown at 5-year CAGR of 13.8% generating a healthy 12.2% share of CV production in FY15. Consistent growth in the auto component exports is an indication of growing credibility of 'India made' components.



### M&HCV springs back to growth after two years of decline, fastest growing amongst all automotive segments

The Medium & Heavy Commercial Vehicle (M&HCV) sub-segment, including export sales, bounced back to robust growth of 17.4% YoY in FY15 after two years of decline. This was



presence of MNC players, the industry will place increased importance on technologically advanced and value added products. Also, the aftermarket will be an important growth and profitability driver for the industry with customers' preference for quality branded products.

**With industry showing signs of revival, how has JAI performed in the current financial year? What initiatives have been taken to improve the operating performance as well as the financial health of the Company?**

We had a robust year with the Company outperforming the domestic CV market significantly. We reported growth in consolidated net revenues driven by improving industry dynamics, particularly in the M&HCV segment. The year gone by saw us strengthening our leadership position in the Indian OEM market. We achieved a volume growth for the springs' business driven by increased share of business from our top customers indicating their trust in us as a company.

We have consolidated our operations with a conscious focus to bring in efficiencies in our production processes and reduce operating costs. As a result, our EBITDA for the year increased to reach Rs 95 crore on a consolidated basis. Our PAT for the year increased to reach Rs 29 crore against Rs 14 crore in FY14 which included net gain from exceptional items. We are focused on operating our plants efficiently – while we operate at high utilization levels we are also focused on balancing capacity gaps to cater to additional demand.

The performance in the last quarter of FY15 gives a preview of growth going forward – our consolidated revenues increased to reach Rs 342 crore in Q4'FY15 against Rs 245 crore in Q4'FY14. Our Consolidated PAT in Q4'FY15 was Rs 15 crore

compared to Rs 3 crore in Q4'FY14 led by improvement in operating margins and reduction in finance costs.

The healthy cash flows from operations have been judiciously utilized to strengthen the balance sheet. We repaid debt of Rs 61 crore, bringing the total debt levels including the current maturities from Rs 125 crore in FY14 to Rs 64 crore in FY15. We remain prudent in managing our working capital requirements and have improved our debtor and inventory management systems. Our enhanced credit quality is reflected in ICRA upgrading our credit rating from LBBB- to A- (long term) and from A3 to A2+ (short term). The credit rating was further improved to A (long term) and A1 (short term) in April 2015. We will continue to invest from internal generations to create meaningful capacities in the future.

Reduction in debt has led to 25% lower interest outgo for the year favourably impacting PBT. Manufacturing efficiencies, productivity improvements and reduced leverage enabled us to lower our break-even point.

We, at JAI, are ready to cruise ahead with a leaner structure. We expect the next couple of years to be exciting, marked by increases in market share and new products growth.

**As part of the 'Lakshya' programme, the Company has set internal targets for diversification, returns and dividends to shareholders. Can you please update on the progress of the same in FY15?**

The Company aims to achieve a de-risked business model, higher returns and consistent shareholder payouts as a part of the 'Lakshya' mission. To reiterate, our targets under the plan are as below:

the fastest growing automotive segment in the year followed by three wheelers (12.8%) and Two Wheelers (9.3%). The M&HCV growth was driven by the sharp uptick in replacement demand for Heavy Commercial Vehicles and improvement in bus-sales on the back of State Transport Units (STU) orders in the domestic market. Other factors that aided the recovery included the fall in diesel prices, softening of interest rates and expected pick-up in infrastructure activities under the new government.

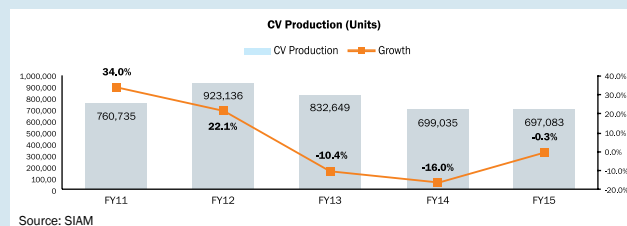
### LCVs continue to witness sluggish demand

Light Commercial Vehicle (LCV) segment continued to experience sluggishness mainly due to overcapacity, slowdown in rural demand with unseasonal rains and financing constraints in the domestic market. The LCV segment had seen significant additions to capacity till FY13, and the slowdown impacted the production.

**CV production stabilizes in the year, India's emergence as global manufacturing hub continues**

India is fast becoming a global manufacturing hub for leading

OEMs across the world. Major global CV giants such as Daimler, Man Trucks, Navistar, Volvo, and Hino have entered into Indian market lured by the low CV penetration and strong growth potential. Global CV majors like Daimler Motors and Scania Motors have already committed to the government's 'Make in India' initiative and plan to increase exports out of India. These OEMs have a strong focus towards localisation initiatives that bodes well for the auto component sector.



**Stable recovery in the long haul dependent on economic stability and regulatory support**

**Economic growth critical to sustain CV upcycle:** The demand

	Product Derisking	Diversifying Markets	Maximizing Efficiency
Operational Goals	<b>33%</b> Revenue from New Products	<b>33%</b> Revenue from New Market	<b>33%</b> Break Even Point
Financial Goals	<b>33%</b> Roce	<b>33%</b> Dividend Payout	Net Block to be funded by New Worth

During the year, we inched closer to the aggressive targets we have set for ourselves. Export sales grew to reach Rs 10.8 crore. Realizing the potential in the exports market, we are investing in capacity at Hosur near Bangalore, primarily to cater to demand for new generation products and exports. The facility, with a capacity of 30,000 MTPA, is expected to be operational by Q1 FY17. The project will entail a capex of Rs 75 crore and will be funded by internal accruals, in conformity with our plan to keep net block equal to net worth. In the past, we have supplied to GM and Ford internationally and, with the commissioning of the Hosur facility, we aspire to export to global OEs again.

We are focused on constantly improving aftermarket network to penetrate new markets. We have a significant network with tie-ups with more than 1,310 primary distributors to supply our products to more than 5,500 dealers. During the year, revenue from new markets also increased.

In terms of new products, Lift Axle business has shown promise. We are optimistic about healthy growth in future years as well. Our pipeline of products also include air suspension and new generation springs.

During the year, we have consolidated our position as the leader in the Indian OEM segment through increased share of business from our top customers. At the same time, we have also

rationalized our portfolio and consciously reduced low margin business. We aim to decrease our dependence on top clients by increasing our overall business with other clients we serve.

We also aim to maintain a low Break-even Point (BEP) at each of our plants by focusing on operational efficiencies and reducing fixed costs. In the last year, we have undertaken minimal capex for maintenance while our business has outperformed expectations. This has resulted in robust ROCE at 22% for FY15, which is a substantial improvement from 12% in FY14. We believe in distributing the reward of performance with the owners of the business, our shareholders. This year too we have maintained a dividend payment of 33%.

#### **Please comment on the future strategies and outlook of the Company?**

JAI is the leader in the domestic auto OEM industry and amongst the worlds top three players in multileaf springs. Our mission is to be the global leader in automotive suspension solutions. The year gone by has seen our business emerge stronger. Summarizing the points above, the favourable macro-economic scenario is providing the much needed impetus to the domestic CV industry, which, in our view, will fully bounce back in the coming years. We are set to fully leverage the opportunity with our world class products and continuous innovation to enter new markets and new products. We are extremely excited by the huge opportunity available to us in the aftermarket and OE exports. We will continue on the path of 'Lakshya' to diversify our business into a more robust, scalable and profitable organization. As in the past, we will focus on well balanced growth with continuous focus to enhance productivity. Future capacities will be funded by internal accruals maintaining the optimal financial structure.

We believe that exciting times are ahead of us and we are fully geared to sustain and extend our leadership position while maximizing returns.

for CVs is dependent on size and growth of economy – larger economy generates higher freight demand and hence more CVs. In order to push CV sector towards sustainable upcycle, policy push is required in easing of business environment, improvement of road infrastructure and speeding up industrial growth. Transport Operators restrained from fleet additions in FY13-14 due to absence of stable freight demand and spiralling fuel prices. FY15 has been a year of start towards recovery, with lower inflation, fuel costs and higher industrial activity. Hence, transport operators started adding fleet in the year that led to M&HCV moving into positive growth territory. LCVs are now expected to follow M&HCV recovery subject to revival in consumer spending and hence redistribution freight demand.

#### **Promising outlook with higher economic growth projections:**

The domestic CV sector is estimated to grow in double-digits – 10-13% by SIAM with M&HCV segment on sustainable upcycle. ICRA research estimates M&HCV segment to grow 12-14% in FY16 driven by replacement demand, stronger growth in infrastructure, mining, and industrial sectors, and move to BS-IV emission norms from October 2015 onwards leading to

new demand. The LCV segment is expected to recover back to moderate growth of 4-6% in FY16 with stronger prospects over medium term.

#### **“Make in India” and “Smart City” projects push in the right direction to make India 3rd largest market for automobiles:**

Indian Automotive Sector is a significant contributor to nation's progress. As per SIAM's Automotive Mission Plan 2006-2016, the Indian automobile industry accounted for 7.1% of India's GDP, 27% of India's Industrial GDP and 4.3% of overall exports, second only to textile and handicrafts in FY14. The Government is committed to make India the third largest market for automobiles by 2016, behind only China and the US making the sector a top priority under its '**Make in India**' program. In order to push local manufacturing, in the Budget 2015-16, the Government increased the effective tariff rate on imported commercial vehicles 10% to 20%, making the import of completely built units expensive. Other initiatives like reduced corporate tax rate, infrastructure focus and GST implementation will indirectly benefit the sector.

The Company's financial details are as follows:

Rs. in crores

Particulars	Standalone Year ended March 31, 2015	Consolidated Year ended March 31, 2015
Gross Sales	1,098.75	1,185.22
EBITDA	85.99	96.50
Finance cost	16.88	18.02
PBDT /Cash Profit	69.11	78.48
Depreciation & others	29.29	31.10
PBT	39.82	47.38
Previous year adjustment	-	-
Provision for tax	10.38	18.00
PAT	29.44	29.38

#### What are the internal controls in the Company?

The Company has put in place strong internal control, systems 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 improvements are considered and implemented. The Company places strong emphasis on best practices in corporate governance. In order to improve and strengthen the control processes, M/s Protiviti Risk & Business Consulting is appointed as internal auditor of the Company from April 1, 2015.

The Government recently gave a big push to infrastructure by launching three flagship schemes – **Smart Cities Mission – 100 smart cities, Housing for all by 2022** and the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT) of 500 cities**. All these initiatives are expected to generate huge demand for CV sector in the long run for both M&HCV for intra cities and increasing hub and spoke model for logistics within city that will boost LCV demand.

#### Indian Auto Ancillaries to be major beneficiary of Industry upcycle

**Auto Components sector to grow in tandem with CV Industry, to reach \$110bn by 2020:** According to ACMA, Auto component

sector is estimated to cross \$110bn in turnover by 2020 driven by rising domestic demand in the OEM market, expanding replacement market and plans of major global OEMs are planning to make India a component sourcing hub for their global operations. ACMA estimates the auto component sector to grow a minimum of 8-10% in FY16.

# Directors' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting 49th Annual Report, together with the audited accounts and performance for the year ended March 31, 2015:

## Financial Results

Rs. in crore

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
Gross Sales	1,098.75	804.07	1,185.22	893.83
PBIDT	85.99	42.38	96.50	50.25
Finance cost	16.88	20.70	18.02	24.07
PBDT /Cash Profit	69.11	21.68	78.48	26.18
Depreciation & others	29.29	24.85	31.10	25.91
PBT	39.82	(3.17)	47.38	0.27
Previous year adjustment	-	(16.44)		(16.44)
Provision for current tax	7.54	0.03	15.50	3.90
Provision for deferred tax	2.84	(1.05)	2.50	(1.04)
PAT	29.44	14.29	29.38	13.84
Balance brought forward	(69.58)	(78.87)	(72.10)	(80.94)
Adjustment of opening depreciation as per Companies Act	(2.85)	-	(2.85)	
Profit available for appropriation	29.44	14.29	29.38	13.84
Balance carried to Balance Sheet	(53.62)	(69.58)	(56.19)	(72.10)

## Performance

During the FY 2014-2015 the M&HCV segment appears to have gradually come out of recessionary trends with a growth of 17.40 per cent in sales. However, the LCV segment is still experiencing sluggish trends.

The Company being a major supplier to M&HCV segment is largely benefited by pick up in M&HCV segment. The Company has earned profit after tax of Rs. 29 crore during FY 2014-2015 as against Rs. 14 crore in FY 2013-2014.

During the year under review the Company has reduced its debt from Rs. 125 crore to Rs. 64 crore. This has not only reduced the fixed cost but also lowered breakeven level. The credit rating of the Company is improved three notches from LBBB- to A- (long term) and from A3 to A2+ (short term). The credit rating is further improved in April 2015 to A (long term) and A1 (short term).

During the year under review the Company has got additional volumes on account of increase in its share of business with major customers. After achieving double digit growth in previous three years, After Market business has stabilized and remained flat during the year. Lift Axle business has shown promising growth as compared to previous year.

The Company is investing in expansion of Hosur Plant to build up capacities and capabilities to improve product quality and deliveries. This will help the Company to venture in new markets.

During the period under review and till the date of last reporting no such material changes/ commitments have taken place as to affect the financial position of the company.

## IPR

Your Company is owner of copyright of more than 70 design of Leaf and Parabolic Springs. The Patent Application of the Company for Indian Patent for Air Suspension is pending before the patent authorities.

## Human Resource

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

## Dividend

Your Company proposed to pay accumulated dividend of Rs. 1,096,747 to IFCI Limited on 12.50% Optionally Convertible Cumulative Preference Shares. Your Directors also recommended final dividend of Rs. 2.20 per Equity Shares. Payment of dividend is subject to approval of the members of the Company at the ensuing Annual General Meeting.

## Fixed Deposit

During the period under review, the Company did not accept any deposits from the public in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## Energy Conservation, Technology Absorption & Foreign Exchange

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014 form an integral part of this report and attached as Annexure – A.

## Risk Management Policy

In accordance with the provisions of the Companies Act, 2013 and Listing Agreement, the Company has constituted a Risk Management Committee for identification and mitigation of the risk. The Committee has formulated the Risk Management Policy which is duly placed at the company's website. The details about the Committee are elaborated in Corporate Governance section which forms an integral part of this report.

## Vigil Mechanism

In terms of the requirements of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has established

a vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud. The vigil mechanism is posted on the website of the Company. Vigil mechanism also provides adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism.

### **Corporate Social Responsibility (CSR)**

The CSR policy of the Company is placed on the website of the Company which is administered and reviewed by the CSR Committee. During the FY 2014-2015 the Company has undertaken projects in accordance with Schedule VII of the Companies Act, 2013. Annual report on CSR pursuant to Section 135 of the Companies Act, 2013 read with rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 form an integral part of this report and attached as Annexure – B

### **Board of Directors, their Appointment & Remuneration**

The Board provides strategic direction to the Company. The total strength of Board of Directors of the Company is eleven Directors consisting of Independent, Executive and Non-executive Directors. The composition of the Board is in conformity with Companies Act, 2013 and Clause 49 of the listing agreement. During FY 2014-2015 four meetings of Board of Directors were held. The details of Board, attendance of Directors at Board Meetings and remuneration paid to them are elaborated in Corporate Governance section which forms an integral part of this report.

During the year under review Mr. V. Subramanian, Nominee Director of IFCI Limited ceased to the director due to repayment of loan of IFCI Limited. Seth Ashok Kumar, Independent Director has stepped down from the Board. The Board places on record its appreciation of the valuable services rendered by Mr. V. Subramanian and Seth Ashok Kumar during their tenure as Directors.

In accordance with Section 152 and other applicable provisions of the Companies Act, 2013, Mr. R. S. Jauhar and Mr. P. S. Jauhar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

During FY 2014-2015 none of the Independent Director was re-appointed. Mr. Rakesh Kalra and Ms. Payal Chawla were appointed as Independent Directors with effect from February 3, 2015. Proposal for confirmation of appointment of Mr. Rakesh Kalra and Ms. Payal Chawla as Independent Directors for a period of five consecutive years is being placed for consideration of members of the Company at the ensuing Annual General Meeting.

All the Independent Directors have given declarations as to their being not disqualified to be appointed as an independent director and independence pursuant to the provisions of Section 149 of Companies Act, 2013 and listing agreement.

All the Executive Directors are appointed for a fixed term, normally, of three years on the recommendation of the Nomination & Remuneration Committee by the Board subject to the approval by members of the Company. All the Independent Directors are appointed for a period of five years. The Independent Directors are not liable to retire by rotation.

The 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 and Committee meetings of the Board. The Nomination & Remuneration Committee review and makes recommendation of the remuneration of Directors.

Annexure-C of this report relates to appointment nomination and remuneration of Directors. The same is also available at the website of the Company.

### **Related Party Transactions**

All transactions made by the related parties were in the ordinary course of business at arm's length pricing basis. The Company has also formulated a policy on dealing with the Related Party Transactions and materiality of the related party transactions. The policy is also posted at the website of the Company. Approval of the Audit Committee, Board and Shareholders as the case may be is also taken to enter into any Related Party Transaction. Attention of members is also drawn to notes to financial statements which set out related party disclosures.

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in Section 188 of the Companies Act, 2013 forms an integral part of this report and attached as Annexure – D.

### **Extract of Annual Return**

Extract of annual return as prescribed under Section 134 (3) (a) of the Companies Act, 2013 read with rule 12 of Companies (Management and Administration) Rules, 2014 forms an integral part of this report and attached as Annexure – E.

### **Employee Stock Option Scheme**

The particulars with regard to the Employees Stock Options as on March 31, 2015 as required to be disclosed pursuant to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI ESOP Guidelines 2014, forms as integral part of this report and attached as Annexure – F.

### **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; the same are placed on the website of the Company.

Total four meetings of the Board of Directors were held during the FY 2014-2015. Corporate governance report of the Company along with certificate of compliance forms an integral part of this report and attached as Annexure – G.

### **Statutory Auditors**

M/s S. R. Batliboi & Co; LLP, Chartered Accountants are the Statutory Auditors of the Company. Directors recommend the ratification of re-appointment of M/s S. R. Batliboi & Co; LLP, Chartered Accountants as Statutory Auditors at the ensuing Annual General Meeting. The Audit Committee has also recommended the ratification of re-appointment of the Statutory Auditors.



The report of the Statutory Auditors read with the notes on accounts being self-explanatory, needs no further clarification. No qualification, reservation or adverse remark has been reported in their report.

### 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 as Cost Auditors for the FY ended on March 31, 2016.

### Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s K.J. & Associates, Company Secretaries are appointed as Secretarial Auditors for the FY ended on March 31, 2016.

The Secretarial Audit Report for the financial year ended on March 31, 2015 forms an integral part of this report and attached as Annexure – H.

### Internal Auditors

M/s Protiviti Risk & Business Consulting is appointed as internal auditor of the company from April 1, 2015.

### Subsidiary Entity

The Company is majority partner in Jai Suspension Systems LLP. As required, consolidated financial statements of the Company and Jai Suspension Systems LLP for the FY 2014-15 are included in the Annual Report.

### Court/Tribunal Orders

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### Management Discussion & Analysis

Management Discussion & Analysis which forms an integral part of this Report provides a detailed analysis on the performance of business and outlook.

### Particulars of Loans, Guarantees or Investments

During the year under review the Company has not granted any loan or guarantee to or made any investment in the parties mentioned in Section 186 of the Companies Act, 2013.

### Material Changes and Commitment

There were no material changes and commitments affecting the financial position of the Company between the end of FY 2014-2015 i.e. March 31, 2015 and the date of the Report (May 19, 2015).

### Particulars of Employees

The disclosures required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 form an integral part of this report and attached as Annexure – I

As per the provisions of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to all the members of the Company, excluding the information required under Section 197 (12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. 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 Registered Office during working hours up to the date of Annual General Meeting.

### Directors' Responsibility Statement

In pursuance of Section 134 (3) (c) of Companies Act, 2013, the Directors hereby confirms that:

- (a) in preparation of the financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 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 19, 2015

(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 rule 8 of the Companies (Accounts) Rules, 2014.

## 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) Steps taken for utilizing alternate source of energy:** Your Company is engaged in energy conservation on continuous basis.

**c) Capital investment on energy conservation equipment:** Nil.

## B. Technology Absorption & Continuous Improvement

### a) Efforts made towards technology absorption

- (i) Technology imported from NHK Spring Co; Ltd., Japan (NHK) for manufacturing of Tapered Leaf Springs has been fully absorbed.
- (ii) Technology imported from Ridewell Corporation USA for Design & Manufacturing of Air Suspension & Lift Axles is partially absorbed.

### b) Benefits derived

- (i) Technical help from NHK has yielded better improvement in the quality and productivity for the new product range developed for overseas customers.
- (ii) Your Company is also engaged in various other initiatives related to improvements in the process.

### c) Technology imported

Year of import:

(1985-90 for manufacturing Tapered Leaf Springs)

(2009-2010 for manufacturing Air Suspension)

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) Expenditure on R&D

(Rs. in crore)

	Year ended March 31, 2015	Year ended March 31, 2014
Recurring	1.89	1.87

## D. Foreign Exchange Earnings And Outgo

(Rs. in crore)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Foreign exchange used	37.88	7.50
Foreign exchange earned	10.39	7.54

# ANNEXURE “B” TO THE Directors’ REPORT

## Report on Corporate Social Responsibility Activities (Pursuant to Rule 8)

### 1. A brief outline of the company’s CSR policy

#### i. Preamble

By induction of Section 135 of Companies Act, 2013, the Government of India has given the statutory strength to the concept of Corporate Social Responsibility. However JAI being already aware of its Corporate Social Responsibility much before induction of Section 135 was fulfilling the aspiration of society within the near about areas of its work units. This has resulted into a harmonious relationship between JAI and communities near about.

#### ii. Vision

A world having equal opportunities of education and work to all without any discrimination, comprising healthy and happy citizens living in a green environment.

#### iii. Mission

- (i) Ensuring environmental sustainability and ecological balance.
- (ii) Provide support and opportunities to economically deprived children towards attaining high quality education and qualify competitions.
- (iii) Extend financial and equipment support to deserving sportspersons in Olympic Games at School, University and State level.
- (iv) Reach the community primarily in the vicinity of Company’s plants, offices, sites through social awareness, health checkup drives, adopting villages and schools to improve basic amenities.

#### iv. Focus Area

To achieve its mission of CSR Policy, the Company will focus in the following areas:

- (i) Environment Conservation & Sustainability
- (ii) Promotion of Education
- (iii) Promoting nationally recognized, Paralympics and Olympic sports
- (iv) Community Outreach
- (v) Contribution to Prime Minister Relief Fund and other alike funds

#### v. Operational Procedure

- (i) The CSR activities shall be carried out in such area and localities as may be recommended from time to time by the CSR Committee constituted under Section 135 (1) of the Companies Act, 2013. In its recommendation

the CSR Committee shall give preference to the areas in the vicinity of Company’s plants, offices and sites.

- (ii) The Company shall prepare the guidelines to carry out the various CSR activities and present it before the CSR Committee for recommendation and all CSR activities shall be carried out by the Company in such manner as may be recommended by the CSR Committee from time to time.

#### vi. Budget & Expenditure

- (i) The CSR committee shall recommend to the Board of Directors, the total amount of budget to be expended on CSR activities in a financial year which shall not be less than the amount prescribed under section 135 of the Companies Act, 2013.
- (ii) The CSR committee shall also recommend to the Board of Directors about amount of expenditure to be incurred in each activity referred in Para No. iv of the Policy.
- (iii) Any surplus arises out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

#### vii. Control and Monitoring

- (i) From time to time the Company shall prepare an Action Taken Report (ATR) or progress report in respect of projects or activities undertaken and present the same before the CSR committee.
- (ii) The Company shall follow the instructions or suggestions made by the CSR committee after considering the ATR or progress report as the case may be.

### 2. The Composition of the CSR Committee.

1. Mr. Shashi Bansal, Chairman
2. Mr. R.S. Jauhar, Member
3. Mr. H.S. Gujral, Member

### 3. Average net profit of the company for last three financial years

Financial Year	Net Profit (Rs in lacs)
2011-12	5340.88
2012-13	3410.90
2013-14	(608.49)
<b>Average Net Profit</b>	<b>2714.43</b>

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

Financial Year	Average Net Profit (Rs in lacs)	CSR Expenditure (Rs in lacs)
2014-15	2714.43	54.29

**5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year: Rs.54.29 lacs
- (b) Amount unspent, if any: No
- (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs 1, Local area or others- 2, Specify the state and district where projects or programs where undertaken	Amount outlay (budget) project or program- wise (Rs in lacs)	Cumulative expenditure up to the reporting period (Rs in lacs)	Amount spent: Direct or through implementing agency
1.	Tree Plantation Water Conservation Waste Management Sensitization activities No to plastic use	Environment Conservation & Sustainability	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	10.00	10.10	Direct
2.	Scholarships Support to educational institutions Non formal education Skill development	Promotion of Education	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	33.50	30.36	Direct
3.	Scholarship Equipment/Kits Sponsorship of sports events	Promotion of sports	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	2.90	2.65	Direct
4.	Basic infrastructure Livelihood training Social empowerment	Community Outreach	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	13.50	13.32	Direct
		<b>Total</b>		<b>59.90</b>	<b>56.43</b>	

**(Executive Director)**

**(Chairman CSR Committee)**

# ANNEXURE “C” TO THE Directors’ REPORT

## Appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management

In terms of the provisions of Companies Act, 2013 and the listing agreement the Company has a Nomination and Remuneration Committee of the Board to deal with the matter related to appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel one level below Board. Following is the constitution and terms of reference of the Nomination and Remuneration Committee:

1. Mr. C. K. Vohra, Chairman
  2. Mr. J. K. Jain, Member
  3. Mr. U. K. Singhal, Member
- (i) The Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel, Senior Management Personnel in accordance with the criteria laid down and shall recommend to the Board their appointment and removal and shall carry out evaluation of every Directors’ performance.
- (ii) The Committee shall also formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- (iii) The Committee shall, while formulating the policy relating to the remuneration, ensure that-
- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee identifies, ascertain and consider the integrity, qualification, expertise and experience of the person for appointment as Director before making recommendation to the Board his/ her appointment.

The appointment of Whole Time Director or Managing Director is made for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. A person who has attained the age of seventy years is not appointed or re-appointed as Managing Director or Whole Time Director without the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification

for extension of appointment beyond seventy years.

The Committee considers and determines the remuneration payable to the Whole-Time Director or Managing Director and recommends the same to the Board for approval. The appointment, re-appointment and the remuneration of a whole time Director or Managing Director is decided in accordance with the conditions laid down as per the provisions of the Companies Act, 2013, and the rules and regulations made thereunder and subject to the approval of the shareholders of the Company and Central Government, wherever required.

The Non-Executive and Independent Director are appointed in terms of the provisions of Companies Act, 2013, the listing agreement with the approval of the members of the Company, if required. An Independent Director is appointed for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report. At the time of appointment of a person as an Independent Director a declaration is taken from such person that he/she does not serve as an Independent Director in more than seven listed companies and three listed companies in case such person is serving as a Whole time Director of a listed company. All the Non-Executive and Independent Director receive remuneration by way of fees for attending meetings of Board or Committee thereof.

The Company has taken Directors & Officers liability insurance for its Directors and officers. The premium paid on such insurance is not treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

The Director, KMP and Senior Management Personnel retire as per the applicable provisions of the Companies Act, 2013 and terms of their appointment. The Board can re-appoint a retiring Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions of the Companies Act, 2013.

The performance evaluation of non-executive members is done by the Board based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings. The Present Structure of the Board Consist of optimum combination of Executive and Non- Executive Directors and the Board has also appointed Woman Director as mandated by the Companies Act, 2013 and the Listing Agreement. Company also recognize that all appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective and the Board should be diversified Board containing expert from different field so that their experience as well as knowledge could be used for the benefit of the Company.



# ANNEXURE “D” TO THE Directors’ REPORT

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in Section 188 of the Companies Act, 2013

## FORM No. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms- length transactions under third proviso thereto:

### 1. Details of contracts or arrangements or transactions not at arm’s length basis: NIL

- (a) Name of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions:
- (f) Date of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which special resolution was passed in general meeting as required under first proviso to section 188:

### 2. Details of material contracts or arrangement or transactions at arm’s length basis:

- (a) Name(s) of the related party and nature of relationship:  
Jai Suspension Systems LLP. The Company is a majority partner in the LLP with 99.9985% shares.
- (b) Nature of contracts/arrangements/transactions:  
Sale/Purchase of goods, material, assets and rendering of services.
- (c) Duration of the contracts / arrangements/ transactions: On continuous billing basis.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Sale/ Purchase of goods, material, assets and rendering of services on continuous billing basis.
- (e) Date(s) of approval by the Board, if any: May 29, 2014
- (f) Amount paid as advances, if any: No

# ANNEXURE “E” TO THE Directors’ REPORT

Extract of Annual Return as on Financial Year ended on 31 March, 2015

## I. Registration and other details:

- i CIN: L35911HR1965PLC004485
- ii Registration Date: September 30, 1965
- iii Name of the Company: Jamna Auto Industries Limited
- iv Category/Sub-Category: Public Company/ Company Limited by Shares
- v Registered Office: Jai Springs Road, Industrial Area, Yamuna Nagar- 135001, Haryana
- vi Whether Listed Company: Yes
- vii Registrar and Transfer Agent: Skyline Financial Services (P) Limited, D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020, Phone: 011-26812682

## II. Principal business activities of the Company contributing 10 % or more of the total turnover of the Company: Manufacture and supply of Tapered Leaf, Parabolic Springs and Suspension Systems for vehicles.

## III. Particulars of Holding, Subsidiary and Associate Companies:

Name and address of the company	CIN/ GLN	Holding/Associate	Subsidiary/	% of shares held	Applicable section
-	-	-	-	-	-

## IV (i) Share holding pattern (equity shares)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4331,303	-	4,331,303	10.96	4,331,303	-	4,331,303	10.93	(0.03)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13,078,527	-	13,078,527	33.1	13,078,527	-	13,078,527	32.99	(0.11)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):</b>	<b>17,409,830</b>	<b>-</b>	<b>17,409,830</b>	<b>44.06</b>	<b>17,409,830</b>	<b>-</b>	<b>17,409,830</b>	<b>43.92</b>	<b>(0.14)</b>
<b>(2) Foreign Company</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>17,409,830</b>	<b>-</b>	<b>17,409,830</b>	<b>44.06</b>	<b>17,409,830</b>	<b>-</b>	<b>17,409,830</b>	<b>43.92</b>	<b>(0.14)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2,000	18,450	20,450	0.05	109,750	8,750	118,500	0.30	0.25
b) Banks / FI	1,000	5,650	6,650	0.02	1,000	5,650	6,650	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	259,815	-	259,815	0.66	259,815	-	259,815	0.66	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1) :</b>	<b>262,815</b>	<b>24,100</b>	<b>286,915</b>	<b>0.73</b>	<b>370,565</b>	<b>14,400</b>	<b>384,965</b>	<b>0.98</b>	<b>0.25</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	591,141	14,374	605,515	1.53	718,490	14,074	732,564	1.85	0.32
ii) Overseas	11,193,094	2,308,559	13,501,653	34.17	11,193,094	2,308,559	13,501,653	34.06	(0.11)
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,610,174	1,379,101	2,989,275	7.56	1,445,901	13,08,347	2,754,248	6.95	(0.61)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,047,674	68,200	4,115,874	10.42	4,521,846	-	4,521,846	11.41	0.99
<b>c) Others</b>									
NRI/OCBs									
Public Trust	327,687	99,350	427,037	1.08	47,000	96,900	143,900	0.36	(0.72)
Clearing Members	10,000	-	10,000	0.03	10,000	-	10,000	0.03	-
HUF	5,218	-	5,218	0.01	5,053	-	5,053	0.01	-
	165,297	-	165,297	0.42	174,981	-	174,981	0.44	0.02
<b>Sub-total (B) (2):</b>	<b>17,950,285</b>	<b>3,869,584</b>	<b>21,819,869</b>	<b>55.22</b>	<b>18,116,365</b>	<b>3,727,880</b>	<b>2,18,44,245</b>	<b>55.11</b>	<b>(0.11)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>18,213,100</b>	<b>3,893,684</b>	<b>22,106,784</b>	<b>55.94</b>	<b>18,486,930</b>	<b>3,742,280</b>	<b>22,229,210</b>	<b>56.08</b>	<b>0.14</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>35,622,930</b>	<b>3,893,684</b>	<b>39,516,614</b>	<b>100</b>	<b>35,896,760</b>	<b>3,742,280</b>	<b>39,639,040</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in Share holding During the year
1.	B.S. Jauhar	688,774	1.74	0.09	688,774	1.74	0.09	NIL
2.	B.S. Jauhar (HUF)	21,550	0.05	NIL	21,550	0.05	NIL	NIL
3.	R.S. Jauhar	1,704,686	4.31	0.98	1,704,686	4.30	0.99	0.01
4.	Sonia Jauhar	23,186	0.06	NIL	23,186	0.06	NIL	NIL
5.	P.S. Jauhar	1,812,897	4.59	NIL	1,812,897	4.57	NIL	0.02
6.	Kiran Chadha	80,210	0.20	NIL	80,210	0.20	NIL	NIL
7.	S.W. Farms Pvt. Ltd.	1,138,963	2.89	0.86	1,138,963	2.88	0.86	0.01
8.	Map Auto Limited	11,773,899	29.79	2.23	11,773,899	29.70	2.25	0.09
9.	Duke Holding Limited	65,665	0.18	NIL	65,665	0.17	NIL	NIL
10.	Jamna Agro Implements Pvt. Ltd.	100,000	0.25	NIL	100,000	0.25	NIL	NIL
	<b>Total</b>	<b>17,409,830</b>	<b>44.06</b>	<b>4.16</b>	<b>17,409,830</b>	<b>43.92</b>	<b>4.18</b>	<b>0.13</b>

**(iii) Change in Promoters' Shareholding**

	Shareholding at beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	17,409,830	44.06	17,409,830	44.06
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	—	—	—	—
At the end of the year	17,409,830	43.92	17,409,830	43.92

**(iv) Shareholding pattern of top ten shareholders (other than Directors, promoters and Holders of GDRs and ADRs):**

S.No.	Name of the Shareholder	Shareholding at the beginning of the year as on April 1, 2014		Change in shareholding during the year		Shareholding at the beginning of the year as on March 31, 2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Clearwater Capital Partners Cyprus Ltd	9,614,147	24.33	0	0	9,614,147	24.25
2.	Clearwater Capital Partners Singapore Fund III P Ltd	1,578,947	4.00	0	0	1,578,947	3.98
3.	Anuj Anantrai Sheth	1,441,000	3.65	0	0	1,441,000	3.64
4.	NHK Spring Co Limited	2,308,509	5.84	0	0	2,308,509	5.82
5.	Jagruti P Sheth	297,500	0.75	0	0	297,500	0.75

6.	Clearwater Capital Partners Singapore PTE LTD A/C Clearwater Capital Partners Singapore Fund III P Ltd	259,815	0.66	0	0	259,815	0.66
7.	Manoj Gunvantrai Shah	184,772	0.47	0	0	184,772	0.47
8.	New Era Investments Limited	300,000	0.76	300,000	0.76	0	0
9.	Amber Advisory Services Private Limited.	171,436	0.43	171,436	0.43	0	0
10.	Dixit Gunvantrai Shah	165,220	0.42	0	0	165,220	0.42

**(v) Shareholding pattern of Directors and Key Managerial Personnel**

For each of Directors and Key Managerial Personnel	Shareholding at beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	42,34,226	10.68	4,245,226	10.70
Date wise Increase/Decrease in Shareholding during the year specifying the reason for increase/ decrease * Transactions of Mr. Praveen Lakhera	<b>Allotment of shares under *ESOP scheme</b> 1. 11.11.2014 6000 Shares 2. 03.02.2015 5000 Shares <b>*Sales of shares</b> 1. 01.01.2015 621 shares 2. 08.01.2015 2000 shares 3. 14.01.2015 54 shares 4. 25.03.2015 1500 shares 5. 27.01.2015 3325 shares			
At the end of the year (or the date of separation, if separated during the year)	4,237,725	10.68	4,245,226	10.70

**V. Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of financial year				
i) Principal Amount	9,813	784	-	10,597
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	54	-	-	54
<b>Total (i+ii+iii)</b>	<b>9,867</b>	<b>784</b>	<b>-</b>	<b>10,651</b>
Change in Indebtedness during financial year				
• Addition	300	-	-	300
• Reduction	4,134	444	-	4,578
Net Change	3,834	444	-	4,278
Indebtedness at the end of financial year				
i) Principal Amount	(6,017)	(340)	-	(6,357)
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16	-	-	16
<b>Total (i+ii+iii)</b>	<b>6,033</b>	<b>340</b>	<b>-</b>	<b>6,373</b>



## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Whole-time Directors:

Sr.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. R. S. Jauhar	Mr. P. S. Jauhar	Mr. H. S. Gujral	
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	13,611,517 63,600 -	13,551,997 63,600 -	1,299,169 126,300 -	28,462,683 253,500 -
2.	Stock Option	-	-	250,200	250,200
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of Profit - Others, specify	7,500,000	7,500,000	-	15,000,000
5.	Others, please specify (Provident Fund Contribution)	950,400	950,400	83,520	1,984,320
	<b>Table (A)</b>	<b>22,125,517</b>	<b>22,065,997</b>	<b>1,759,189</b>	<b>45,000,303</b>
	<b>Ceiling as per the Act</b>	<b>22,225,385</b>	<b>22,225,385</b>	<b>4,800,000</b>	<b>45,950,703</b>

### B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. J.K. Jain	Mr. C.K. Vohra	Mr. U.K. Singhal	Mr. Shashi Bansal	
1.	Independent Directors -Fee for attending board / committee meetings -Commission -Others, please specify	90,000 - -	80,000 - -	180,000 - -	50,000 - -	400,000 - -
	<b>Total (1)</b>	90,000	80,000	180,000	50,000	400,000
2.	Other Non-Executive Directors -Fee for attending board / committee meetings -Commission -Others, please specify					
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B) = (1+2)</b>	90,000	80,000	180,000	50,000	400,000
	<b>Total Managerial Remuneration</b>	90,000	80,000	180,000	50,000	400,000
	<b>Overall Ceiling as per the Act</b>	900,000	800,000	1,800,000	500,000	4,000,000

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WD**

Sr.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,015,517	6,985,560	10,001,077
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35,152	196,013	231,165
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	1,136,250	-	1,136,250
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>4,186,919</b>	<b>7,181,573</b>	<b>11,368,492</b>

**VII Penalties/ Punishment/ Compounding of offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. Directors</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. Other Officers In Default</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

# ANNEXURE “F” TO THE Directors’ REPORT

**Disclosure regarding Employees Stock Option Plan pursuant to the SEBI (Share Based Employees Benefits Regulations), 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 forming part of the Directors’ Report for the year ended 31st March, 2015**

Sr. No.	Particulars	For the Year ending March 31, 2015	Cumulative options upto March 31, 2015
1.	Number of Options granted	Nil	1,542,711
2.	Options vested	145,433	786,758
3.	Options exercised	122,426	475,415
4.	Total number of shares arising as a result of exercise of option	122,426	475,415
6.	Options lapsed/Cancelled	71,236	756,033
7.	Exercise Price	Rs. 30.62 Rs. 44.20 Rs. 54.95	Rs. 30.62 Rs. 44.20 Rs. 54.95
8.	Variation in terms of options	Nil	Nil
9.	Money realized by exercise of options	Rs. 6,543,306.7	Rs. 21,467,582.25
10.	Total number of options in force	307,813	307,813
11.	Employee-wise details of options granted during the year to		
	(i) KMP/ Senior managerial personnel	Nil	1,109,661
	(ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	Nil
	(iii) Employees who received the options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil	Nil

# ANNEXURE “G” TO THE Directors’ REPORT

## REPORT ON CORPORATE GOVERNANCE

### Governance Philosophy

The company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

### Board of Directors

The Board consists of 11 Directors as on March 31, 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement.

Chairman	Mr. Bhupinder Singh Jauhar
Executive Director	Mr. Randeep Singh Jauhar Mr. Pradeep Singh Jauhar Mr. Hardeep Singh Gujral
Independent Directors	Mr. Jainendar Kumar Jain Mr. Chander Kailash Vohra Mr. Uma Kant Singhal Mr. Shashi Bansal Mr. Rakesh Kalra (appointed as director w.e.f. February 3, 2015) Ms. Payal Chawla (appointed as director w.e.f. February 3, 2015) Seth Ashok Kumar (ceased to be director w.e.f. November 11, 2014)
Non-Executive and 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. V. Subramanian, Nominee Director – IFCI Ltd (ceased to be director w.e.f. July 9, 2014)

All Independent Directors possess the requisite qualification and experience in their own fields. All Directors except Independent Directors and Nominee Directors are liable to retire by rotation. None of the Directors are Members of more than ten Committees or Chairman of more than five Committees in Public Limited Companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship and taken on record by the Board.

None of the Independent Director of the Company holds the position of the Independent Director in more than 7 listed Companies, including Independent Directorship of the Company and any such Director serving as a whole time Director in a listed Company is not serving as an Independent Director in more than 3 listed Companies including the Company.

Mr. B. S. Jauhar is the Non-Executive Chairman of the Company. Mr. R. S. Jauhar, Mr. P. S. Jauhar and Mr. H. S. Gujral are the Executive Directors of the Company and look after the management of the Company.

Details of other Chairmanship / Directorship / Committee Membership of Directors on Board as on March 31, 2015 is given below:

Name of Director	Category	Particulars of other Directorship/ Committee Membership(s) Chairmanship(s) in Public Companies		
		Directorship	Committee Membership	Committee Chairmanship
Mr. B.S. Jauhar	Chairman	-	-	-
Mr. R.S. Jauhar	Executive	1	-	-
Mr. P.S. Jauhar	Executive	1	-	-
Mr. H.S. Gujral	Executive	-	-	-
Mr. U.K. Singhal	Independent	-	-	-
Mr. C.K. Vohra	Independent	-	-	-
Mr. Shashi Bansal	Independent	-	-	-
Mr. J.K. Jain	Independent	2	1	1
Mr. Rakesh Kalra	Independent	5	4	1
Ms. Payal Chawla	Independent	-	-	-
Dr. Pierre Jean Everaert	Non- Executive & Non Independent	-	-	-
Mr. Karthik Athreya, Alternate Director	Non- Executive & Non-Independent	1	-	-

**Notes:**

- Other Directorships exclude Foreign Companies, Private Limited Companies, Companies Registered under Section 8 of the Companies Act, 2013 and alternate Directorships.
- Only memberships in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

The company places before the Board details required pursuant to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice is given to them. The company has video conferencing facilities to enable director's participation at board meetings. Detailed agenda notes are sent to the Directors. All the information required for decision making are incorporated in the agenda. The Board of Directors met four times during the financial year 2014-2015 on May 29, 2014, August 12, 2014, November 11, 2014 and February 3, 2015. The gap between any two meetings was not more than 120 days.

Following are the details of attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Sr. No.	Name of Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. B. S. Jauhar	4	1	Yes
2.	Mr. R. S. Jauhar	4	4	Yes
3.	Mr. P. S. Jauhar	4	4	No
4.	Mr. J. K. Jain	4	3	No
5.	Mr. C. K. Vohra	4	2	Yes
6.	Mr. U. K. Singhal	4	4	No
7.	Mr. Shashi Bansal	4	3	No
8.	Mr. Karthik Athreya	4	1	No
9.	Mr. H.S.Gujral	4	4	No
10.	Seth Ashok Kumar #	4	0	No
11.	V. Subramanian# #	4	0	No
12.	Dr. Pierre Jean Everaert	4	1	No
13.	Mr. Rakesh Kalra ###	4	N.A.	N.A.
14.	Ms. Payal Chawla ###	4	N.A.	N.A.

# ceased to be Director w.e.f. November 11, 2014

## ceased to be Director w.e.f. July 9, 2014

### appointed as Directors w.e.f. February 3, 2015

## Audit Committee

The audit committee of the Board comprises of three Independent Directors as on March 31, 2015. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in Section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial



policies and practices followed by the Company. The audit committee reviews the quarterly and annual financial statements and related party transactions. The Committee also recommends the appointment of internal auditor, statutory auditor and cost auditor. The statutory auditors are invited at all audit committee meetings.

The composition of the audit committee is as per clause 49 of the listing agreement. All the members of the Committee are financially literate and have relevant financial exposure. Company Secretary acts as the secretary to the Committee. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 3 September, 2014. The audit committee met four times during the FY 2014-2015 on May 29, 2014, August 12, 2014, November 11, 2014 and & February 3, 2015. The following is the composition and attendance of Directors at meetings of audit committee:

Sr. No.	Director	No. of meetings held	No. of meetings attended
1.	Mr. C. K. Vohra, Chairman	4	2
2.	Mr. J. K. Jain, Member	4	3
3.	Mr. U. K. Singhal, Member	4	4
4.	Mr. V. Subramanian #	4	0

# ceased to be Director w.e.f. July 9, 2014

### Nomination and Remuneration Committee

The committee reviews and makes recommendations on the remuneration of Directors and Key Managerial Personnel 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. During the FY 2014-2015 one meeting of the Committee was held on May 29, 2014. The details of attendance of members at the meeting are as follows:

Sr. No.	Director	No. of meetings held	No. of meetings attended
1.	Mr. C. K. Vohra, Chairman	1	1
2.	Mr. J. K. Jain, Member	1	1
3.	Mr. U. K. Singhal, Member	1	1
4.	Mr. V. Subramanian #	1	0

# ceased to be Director w.e.f. July 9, 2014

### Stakeholders' Relationship Committee:

The Committee overseas and review all matters connected with transfer of shares, redressal of shareholders complaints and performance of Registrar and Transfer Agent and recommends measures for overall improvement in the quality of services to the investors. Three meetings of the Committee were held during FY 2014-2015 on August 12, 2014, October 11, 2014 and February 3, 2015. The details of attendance of members at the meeting are as follows:

Sr. No.	Director	No. of meetings held	No. of meetings attended
1.	Mr. U. K. Singhal, Chairman	3	3
2.	Mr. R. S. Jauhar, Member	3	3
3.	Mr. H. S. Gujral, Member	3	3

### Compensation Committee (ESOP)

The Committee consist of 4 Directors and confirms to the requirements of SEBI ESOP Guidelines, 2014. The Committee administers ESOP scheme, allot shares upon exercise of the stock options. The Compensation Committee had allotted 122426 shares upon exercise of stock options during the financial year under review. Three meetings of the Committee were held during FY 2014-2015 on May 29, 2014, November 11, 2014 and February 3, 2015. The details of attendance of members at the meeting are as follows:

Sr. No.	Director	No. of meetings held	No. of meetings attended
1.	Mr. U. K. Singhal, Chairman	3	3
2.	Mr. R. S. Jauhar, Member	3	3
3.	Mr. J. K. Jain, Member	3	2
4.	Mr. C.K. Vohra	3	2

## Borrowing Investment and Administration Committee

The Committee consists of three Directors and meets as and when required to expedite resolutions of routine matters. During the FY 2014-2015 one meeting of the Committee was held on August 2, 2014. The following is the composition and attendance of Members at meeting of the Committee.

	Director	No. of meetings held	No. of meetings attended
1.	Mr. U. K. Singhal, Chairman	1	1
2.	Mr. R. S. Jauhar, Member	1	1
3.	Mr. H. S. Gujral, Member	1	1

## CSR Committee

The Committee is constituted pursuant to the CSR provisions introduced in the Companies Act, 2013 and listing agreement. The Committee consists of three Directors. The Chairman of the Committee is Mr. Shashi Bansal, Independent Director. The Committee has formulated the CSR policy of the Company. The CSR policy is also posted at the website of the Company. The Committee recommends to the Board for approval, CSR Budget for each financial year and implement, administer and supervise the CSR activities of the Company.

During the FY 2014-2015 two meetings of the Committee were held on August 12, 2014, October 11, 2014. The following is the composition and attendance of Directors at meeting of the Committee:

	Director	No. of meetings held	No. of meetings attended
1.	Mr. Shashi Bansal, Chairman	2	-
2.	Mr. R. S. Jauhar, Member	2	2
3.	Mr. H. S. Gujral, Member	2	2

## Risk Management Policy

The Committee is constituted pursuant to provisions of the Companies Act, 2013 and the listing agreement to anticipate and look into the possibilities of business risks to frame, implement and monitor risk management plan for the Company. The Committee has five members consisting Directors and senior executives. Mr. U. K. Singhal, Independent Director is the Chairman of the Committee. The Committee has formulated Risk Management Policy which is duly posted at the website of the Company. During the FY 2014-2015 one meeting of the committee was held on February 3, 2015.

## Sexual Harassment Policy

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 the Company has constituted a Sexual Harassment Committee at plants and other locations for prevention and redressal of complaints of sexual harassment and for the matters connected therewith.

## Certifications

In terms of Clause 49(V) 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 March 31 2015.

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

## Annual General Meetings

The details of Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Venue	Financial Year	Date & Time	No. of Special Resolution Passed
Registered Office of the Company	2011-2012	September 30, 2012 at 9.30 A.M.	1
Registered Office of the Company	2012-2013	September 20, 2013 at 9.30 A.M.	2
Registered Office of the Company	2013-2014	September 3, 2014 at 9.30 A.M	12

No special resolutions were required to be passed by the shareholders of the company through postal ballot during the year 2013-2014. However pursuant to the requirements of the listing agreement the Company had provide e- voting facilities to members for casting their vote at the Annual General Meeting held on September 3, 2014.

## Whistle Blower Mechanism

The Company has established vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud. Vigil mechanism also provides adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee. The vigil mechanism is also posted at the website of the Company.

## Disclosures

### (A) Related Party Transactions

All transactions made by the related parties were in the ordinary course of business at arm's length pricing basis. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and materiality of the related party transactions. The policy is also posted at the website of the Company. Approval of the Audit Committee, Board and Shareholders as the case may be is also taken to enter any Related Party Transaction.

### (B) Remuneration paid to Directors

The following remuneration paid to Executive Directors during the FY 2014-2015

Particulars	Mr. R. S. Jauhar (Amount in Rs.)	Mr. P. S. Jauhar (Amount in Rs.)	Mr. H. S. Gujral (Amount in Rs.)
Salary	7,920,000	7,920,000	696,000
Allowances	5,691,517	5,631,997	603,169
Perquisite	63,600	63,600	126,300
PF Contribution	950,400	950,400	83,520
Stock Options	-	-	250,200
Commission	7,500,000	75,00,000	-
<b>Total Remuneration Paid</b>	<b>22,125,517</b>	<b>22,065,997</b>	<b>1,759,189</b>

Non-Executive Directors are paid sitting fees for attending meeting of the Board or committee of the board. During the FY 2014-2015 the Company has paid following sitting fee to the Non-executive Directors:

Name of Directors	Sitting Fees Paid	No. of Equity shares held	Convertible Instruments/ ESOP
Mr. J. K. Jain	Rs.90,000	-	-
Mr. C. K. Vohra	Rs.80,000	-	-
Mr. U. K. Singhal	Rs.180,000	-	-
Mr. Shashi Bansal	Rs.50,000	-	-

### (C) Management

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

### (D) Shareholders

Mr. R. S. Jauhar and Mr. P. S. Jauhar are retiring by rotation at the Annual General Meeting and being eligible, offers themselves for re-appointment at the Annual General Meeting. Following is the shareholding of retiring Directors in the Company as on March 31, 2015:

- 1) Mr. R. S. Jauhar -17,04,686 equity shares
- 2) Mr. P. S. Jauhar - 18,12,897 equity shares

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 FY ended March 31, 2015 the Company has received and resolved 8 complaints. No complaint was pending as on March 31, 2015. Mr. Praveen Lakhera, Company Secretary & Head-Legal is the Compliance Officer. There is no shares transfer pending as on March 31, 2015 and not more than 15 days has been taken for transfer of shares from the date of lodgment.

**(F) Relationship between Directors**

Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar are related to each other. Mr. B. S. Jauhar is the father of both Mr. R. S. Jauhar and Mr. P. S. Jauhar.

**(G) All Mandatory requirements of clause 49 of the Listing Agreement having been complied by the Company. 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.

**Shareholder Rights:** Please refer heading "Means of Communications".

**Audit Qualifications:** Nil

**(H) Outstanding GDRs or any other Convertible Instruments:**

The Company has not issued any GDR and any other convertible instruments.

**(I) Dematerialization of Shares**

39,639,040 equity shares of the Company consisting 90.56% are in dematerialized form as on 31 March 2015.

**(J) General Shareholders Information**

1.	Date, Time and Venue of the 49th Annual General Meeting	September 29, 2015 at 9:30 a.m., at the Registered Office of the Company, at Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana																																			
2.	Financial Calendar	April 1, 2014 to March 31, 2015																																			
3.	Book Closure Dates	Friday, September 25, 2015 to Monday, September 28, 2015 (both days Inclusive)																																			
4.	Dividend Payment Date	<p>The Company has not paid any interim Dividend during the year ended on March 31, 2015. Pursuant to the provision of Section 123 of Companies Act, 2013, Dividend remaining unclaimed/ Unpaid for a period of 7 years from the date of transfer to the Company unpaid account will be transferred to the Investor Education and Protection Fund (IEPF Fund).</p> <p>Following are the dates of dividend declared and the corresponding dates when unclaimed dividend due for transfer to IEPF Fund</p> <table><tr><th>Financial Year</th><th>Date of Declaration of Dividend</th><th>Last Date of Claiming Unpaid Dividend</th><th>Due Date for transfer to Investor Education and Protection Fund</th></tr><tr><td>2010-11 (Interim dividend)</td><td>03.02.2011</td><td>02.02.2018</td><td>06.03.2018</td></tr><tr><td>2010-11 (Final Dividend)</td><td>31.08.2011</td><td>30.08.2018</td><td>01.10.2018</td></tr><tr><td>2011-12 (Interim dividend)</td><td>01.08.2011</td><td>31.07.2018</td><td>01.09.2018</td></tr><tr><td>2011-12 (Second Interim Dividend)</td><td>31.01.2012</td><td>31.01.2019</td><td>02.03.2019</td></tr><tr><td>2011-12 (Final Dividend)</td><td>18.08.2012</td><td>17.08.2019</td><td>17.09.2019</td></tr><tr><td>2012-13 (Final Dividend)</td><td>20.09.2013</td><td>19.09.2020</td><td>20.09.2020</td></tr><tr><td>2013-14 (Final Dividend)</td><td>03.09.2014</td><td>02.09.2021</td><td>03.09.2021</td></tr></table> <p>In view of the above, members are advised to send uncashed 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.</p>				Financial Year	Date of Declaration of Dividend	Last Date of 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	31.01.2019	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	20.09.2020	2013-14 (Final Dividend)	03.09.2014	02.09.2021	03.09.2021
Financial Year	Date of Declaration of Dividend	Last Date of 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	31.01.2019	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	20.09.2020																																		
2013-14 (Final Dividend)	03.09.2014	02.09.2021	03.09.2021																																		

5.	Listing on Stock Exchanges	
(a)	Equity Shares	Stock Code/Symbol
	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 01. Website: www.bseindia.com.	'520051'
	The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, "G Block" Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Website- www.nseindia.com	'JAMNAAUTO'
(b)	GDRs	NOT APPLICABLE
6.	ISIN Code for the Company's Equity Shares	INE039C01016
7.	Corporate Identification Number(CIN)	L35911HR1965PLC004485
8.	Listing Fees	The Company has paid listing fees to the Bombay Stock Exchange (BSE) and to the National Stock Exchange of India Ltd (NSE), where the Shares of the Company are Listed. Pursuant to the de- recognition of the Delhi Stock exchange by SEBI no fees is required to be paid from the year under review onwards.
9.	Share Transfer Agents	M/s. Skyline Financial Services (P) Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 Ph: 011-26812682,26812683 Fax No. - 011-26292681 Email: grievances@skylinerta.com
10.	Investor queries/request for transfer, transmission, issue of duplicate certificates etc to be sent	M/s. Skyline Financial Services (P) Limited

Members holding shares in electronic mode are requested to intimate the change in their address, bank details, etc. to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details to the Share Transfer Agent of the Company, Skyline Financial Services (P) Limited quoting their Folio Number(s).

### Means of Communication

The information like quarterly/half yearly/annual financial results, notices of board meetings are promptly submitted to the stock exchanges to enable them to put them on their websites and for the information of the members and investors. The financial results of the Company, in the prescribed format, as per Clause 41 of the Listing Agreements are also posted on the Company's website www.jaispring.com.

The Company has also published its quarterly financial results in "The Financial Express" (all editions) and "Jansatta" (Hindi - Delhi Edition) as per details given below:

Particulars	Date of Board Meeting	Date of Publication
Quarter ended June 30, 2014	12.08.2014	13.08.2014
Quarter ended September 30, 2014	11.11.2014	12.11.2014
Quarter ended December 31 2014	03.02.2015	04.02.2015
Quarter and year ended March 31, 2015	19.05.2015	20.05.2015

In accordance with the green initiative and applicable circulars of The National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") the Company is regularly uploading its quarterly, monthly, year to date as well as the event based compliances through NSE Electronic Application System ("NEAPS") and BSE Listing Centre.

### Registered Office

Jai Springs Road, Industrial Area, Yamuna Nagar - 135 001, Haryana.



**Plants location**

1. Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana
2. U-27-29, Industrial Area, Malanpur, District Bhind– 477116, M.P.
3. Plot no. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, District Kanchipuram - 603 204, Tamil Nadu
4. 262 - 263, Village Karnidih, Chandil, District Saraikella, Kharswan - 832401, Jharkhand
5. Thally Road, Kalugondapalli Post, Hosur, District Krishnagiri-635114, Tamil Nadu

**Corporate Office**

2, Park Lane, Kishangarh, Vasant Kunj, New Delhi- 110070.

**Compliance Officer and Contact Address:**

Mr. Praveen Lakhera  
 Company Secretary & Head Legal  
 Jamna Auto Industries Limited  
 1-B, Bhawani Kunj, Near Heritage School,  
 Opp. Pocket D-1, Vasant Kunj, New Delhi- 110 070  
 Telephone : 91-11- 26893331/26896960, Fax : 91-11-26893192.  
 e- mail : praveen@jaispring.com

**Subsidiary Companies**

As on 31 March, 2015 the Company is not having any Subsidiary Company to report about.

**Market Price Data**

Monthly high/ low prices and volume of the shares of the Company as traded at The Bombay Stock Exchange Limited, (BSE) and National Stock Exchange (NSE) during the financial year under review.

Month	Price at BSE (Rs.)			Price at NSE (Rs.)		
	High	Low	Volume	High	Low	Volume
April, 2014	80.00	71.50	26,034	79.50	70.60	17,248
May, 2014	109.90	77.00	55,938	109.00	77.00	59,164
June, 2014	122.50	101.00	130,654	121.00	100.20	115,978
July, 2014	125.00	100.30	25,483	129.00	104.00	67,731
August, 2014	133.95	105.00	20,560	133.00	108.10	52,095
September, 2014	177.90	117.00	278,090	175.90	112.00	760,523
October, 2014	150.55	133.30	20,127	153.00	133.15	56,292
November, 2014	165.80	127.20	75,329	165.80	131.60	251,848
December, 2014	158.70	132.35	61,198	159.95	131.25	303,167
January, 2015	172.75	130.00	52,206	175.00	129.15	1,11,294
February, 2015	234.00	162.45	164,769	234.00	162.00	357,742
March, 2015	264.50	210.60	73,610	264.80	205.95	225,719

**Distribution of Shareholding as on 31 March, 2015**

No. of Equity Shares held	No. of Shareholders	% to Total shareholders	No. of Shares held	% to Total shares
1-500	15,243	94.81	1,957,270	4.94
501-1000	452	2.81	344,883	0.87
1001-2000	156	0.97	227,353	0.57
2001-3000	48	0.30	121,243	0.31
3001-4000	30	0.19	103,897	0.26
4001-5000	18	0.11	84,234	0.21
5001-10000	40	0.25	311,212	0.79
10001-And Above	90	0.56	36,488,948	92.05
<b>TOTAL</b>	<b>16,077</b>	<b>100.00</b>	<b>39,639,040</b>	<b>100.00</b>

**Shareholding Pattern**

The Shareholding of different categories of the Shareholders as on 31 March, 2015 is given below:

Category	No. of Shares	% age
Promoters	17,409,830	43.92
Mutual Funds/UTI	118,500	0.30
Financial Institutions/Banks	6,650	0.02
FIs	259,815	0.66
Bodies Corporate	732,564	1.85
Individuals	7,276,094	18.36
NRIs/Foreign Nationals/OCBs	143,900	0.36
Foreign Company	13,501,653	34.05
Others	190,034	0.48
<b>Total</b>	<b>39,639,040</b>	<b>100.00</b>

**Reconciliation of the Share Capital Audit Report**

As required by Securities and Exchange Board of India (SEBI), Reconciliation of the Share Capital Audit is required to be carried out by a qualified Chartered Accountant or a practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out at the end of each Quarter and the report thereon is submitted to the Stock Exchanges.

**Management Responsibility Statement**

The Management confirms that the financial statements are in full conformity with the requirements of the Companies Act, 2013 (Act) read with relevant rules of the Act and the Accounting Standards issued by the Institute of Chartered Accountants of India. The management accepts responsibility for the integrity and objectivity of these financial statements. The management believes that the financial statements of operations reflect fairly the Company's financial position and the results of the operations. The Company has a system of Internal Control, which is reviewed and updated on the regular basis. The Financial Statements have been audited by S.R. Batliboi & Co. LLP, Chartered Accountants and have been reviewed by the Audit Committee.

# ANNEXURE “H” TO THE Directors’ REPORT

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,

**Jamna Auto Industries Limited**

Jai Spring Road, Industrial Area,  
Yamuna Nagar- 135001,  
Haryana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jamna Auto Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Jamna Auto Industries Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jamna Auto Industries Limited (“the Company”) for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 & SEBI (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Factories Act, 1948,
- (vii) The Payment of Wages Act, 1936
- (viii) The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952,
- (ix) Employees State Insurance Act, 1948,
- (x) The Payment of Bonus Act, 1965
- (xi) The Environment Protection Act, 1986,
- (xii) Water (Prevention and Control of Pollution) Act, 1974
- (xiii) The Air (Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Our Report of even date is to be read in the light of the following:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express opinion on these secretarial records based on the audit process applied by us.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the

correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **K.J. & Associates**  
Company Secretaries

(Ramesh Kumar)  
Partner  
M.No.: FCS -6393  
C P No.: 5197

Place: New Delhi  
Date: May 19, 2015

# ANNEXURE “I” TO THE Directors’ REPORT

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	a) Mr. R.S. Jauhar, CEO & Executive Director : 63X * b) Mr. P.S. Jauhar, COO & Executive Director : 63X * c) Mr. H.S. Gujral, Executive Director: 6.95X *
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	a) Mr. R.S. Jauhar, CEO & Executive Director : NIL b) Mr. P.S. Jauhar, COO & Executive Director : NIL c) Mr. H.S. Gujral, Executive Director: NIL d) Mr. Vivek Bhatia, CFO: 10% e) Mr. Praveen Lakhera, CS & Head Legal : 10%
3	The percentage increase in the median remuneration of employees in the financial year	8.06%
4	The number of permanent employees on the rolls of the Company	774 employees as on March 31, 2015
5	The explanation on the relationship between average increase in remuneration and Company performance	Factors considered for giving increments: a) Performance of the Company b) Industry benchmarking c) Employee Performance d) Inflation
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company for FY 2014-15	For FY 2014-15 Key Managerial Personnels were paid approximately Rs. 573.19 Lacs for the year, company achieved net profit of Rs. 2,943.50 Lacs
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	a) Market capitalization of the Company as on March 31, 2014 was Rs 2,878,785,329.9 increased to Rs. 9,624,358,912 as on March 31, 2015 b) PE ratio of the Company as on March 31, 2014 was 21 increased to 33 on March 31, 2015 c) The last public offering (right issue) of the Company came out in October, 1992 at Rs 40. The Company’s shares price as at March 31, 2015 increase by 607% to Rs. 242.80 over said rights issue.
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Basic Salary increment KMP - 2.32% Basic Salary increment other than KMP- 9.43%
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	For FY 2014-15 Key Managerial Personnels were paid approximately Rs. 573.19 Lacs for the year, company achieved net profit of Rs. 2,943.50 Lacs Mr. R.S. Jauhar - Rs. 221.26 Lacs Mr. P.S. Jauhar - Rs. 220.66 Lacs Mr. H.S. Gujral - Rs. 17.59 Lacs Mr. Vivek Bhatia - Rs. 71.82 Lacs Mr. Praveen Lakhera - Rs. 41.86 Lacs
10	The key parameters for any variable component of remuneration availed by the Directors	Mr. R. S. Jauhar, CEO & Executive Director and Mr. P. S. Jauhar, COO & Executive Director are paid commission on the net profits of the Company with the approval of the Board on the recommendation of the Nomination & Remuneration Committee
11	The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year	There is no employee who are not Directors but receive remuneration in excess of the highest paid director during the year
12	Affirmation that the remuneration is as per the remuneration policy	Affirmed



# AUDITORS' CERTIFICATE

To,

## **The Members of Jamna Auto Industries Limited**

We have examined the compliance of conditions of corporate governance by Jamna Auto Industries Limited, for the year ended on March 31, 2015, 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 19, 2015

# INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying standalone financial statements of Jamna Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer Note 28 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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 19, 2015

# 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 maintained 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 programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noted during the year were material and these have been properly dealt with in the books of accounts.
- 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. 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 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order 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. The Company has not accepted any deposits from the public.
- vi. 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 148(1) of the Companies Act, 2013, related to the manufacture of spring leafs and lift axle, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, 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, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, 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, value added tax and cess on account of any dispute, are as follows:

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 Customs Act, 1962	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
Madhya Pradesh Sales Tax Act 1958	Entry Tax	High Court, Gwalior	45.83	2006-2007

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	Assistant Commissioner Customs & Central Excise, Gwalior	20.63	2008-09 to 2009-10
Tamil Nadu Value Added Tax Act	CST	Sales Tax Appellate Tribunal, Chennai	8.01	2003-2004
The Central Excise Act, 1944	Excise Act	High Court, Gwalior	7.47	1997-1998
Jharkhand Value Added Tax Act	VAT	Commissioner (Appeal), Commercial Tax	21.39	2008-09
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Yamuna Nagar	13.87	2008-09 and 2011-12 to 2014-15
Finance Act 1994, (Service tax)	Service Tax	Commissioner Appeal, Delhi	3.17	2010-2011
Finance Act 1994, (Service tax)	Service Tax	Commissioner Appeal, Delhi	2.62	2005-2006 to 2009-2010
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Gwalior	7.46	2009-2010 to 2012-13
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	4.93	2006-2007
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	0.57	2005-2006
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner, Central Excise, Gwalior	2.26	2009-2010 to 2011-2012
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner, Central Excise, Yamuna Nagar	8.80	2009-2010 & 2011-2012
Madhya Pradesh Sales Tax Act 1958	VAT	Commissioner, Commercial Tax, Gwalior	0.25	1999-2000
Finance Act 1994, (Service tax)	Service Tax	Deputy Commissioner, Central Excise, Chennai	1.92	2009-2010
Madhya Pradesh Sales Tax Act 1958	Corporation Tax	MP Commercial Tax Applet Board, Bhopal	0.65	1997-1998

- d. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. 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.
- ix. 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 institutions or banks. The Company did not have any debentures during the year.
- x. According to the information and explanations given to 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.
- xi. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xii. 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 year.

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 19, 2015

# Balance Sheet

as at March 31, 2015

(All amounts in Rupees lacs, unless otherwise stated)

	Particulars	Note	As at March 31, 2015	As at March 31, 2014
I	<b>Equity and Liabilities</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	3	<b>3,962.38</b>	4,125.14
	(b) Reserves and surplus	4	<b>15,937.01</b>	14,287.32
			<b>19,899.39</b>	18,412.46
2	<b>Share application money pending allotment</b>	3(g)	<b>0.27</b>	0.27
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	<b>2,492.82</b>	6,144.26
	(b) Deferred tax liabilities (net)	6	<b>1,590.60</b>	1,453.36
	(c) Other long-term liabilities	7	<b>7.13</b>	7.13
	(d) Long-term provisions	8	<b>392.80</b>	308.37
			<b>4,483.35</b>	7,913.12
4	<b>Current liabilities</b>			
	(a) Short-term borrowings	9	<b>97.13</b>	825.09
	(b) Trade payables	10	<b>17,534.60</b>	18,460.67
	(c) Other current liabilities	11	<b>4,291.33</b>	3,986.26
	(d) Short-term provisions	8	<b>1,093.62</b>	540.75
			<b>23,016.68</b>	23,812.77
	<b>TOTAL</b>		<b>47,399.69</b>	50,138.62
II	<b>Assets</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	12(a)	<b>23,317.67</b>	24,922.79
	(ii) Intangible assets	12(a)	<b>68.53</b>	131.59
	(iii) Capital work-in-progress		<b>685.49</b>	124.77
	(b) Non current investments	13	<b>2,113.35</b>	2,090.90
	(c) Long-term loans and advances	14	<b>3,169.20</b>	2,312.84
	(d) Other non-current assets	15	<b>40.94</b>	36.18
			<b>29,395.18</b>	29,619.07
2	<b>Current assets</b>			
	(a) Inventories	16	<b>8,254.97</b>	7,746.78
	(b) Trade receivables	17	<b>7,098.53</b>	10,485.02
	(c) Cash and bank balances	18	<b>604.26</b>	1,034.04
	(d) Short-term loans and advances	14	<b>2,002.88</b>	1,192.67
	(e) Other current assets	15	<b>43.87</b>	61.04
			<b>18,004.51</b>	20,519.55
	<b>TOTAL</b>		<b>47,399.69</b>	50,138.62

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**  
Director  
DIN : 00744518

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

**R.S. Jauhar**  
Director  
DIN : 00746186

**Vivek Bhatia**  
Chief Financial Officer

Place: Gurgaon  
Date: May 19, 2015

Place: New Delhi  
Date: May 19, 2015



# Statement of Profit and Loss

for the year ended March 31, 2015

(All amounts in Rupees lacs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
	<b>Income</b>			
I	Revenue from operations (gross)	19	<b>109,874.66</b>	80,406.68
	Less : excise duty		<b>11,953.32</b>	8,814.84
	Revenue from operations (net)		<b>97,921.34</b>	71,591.84
II	Other income	20	<b>2,438.42</b>	1,257.37
III	<b>Total revenue</b>		<b>100,359.76</b>	72,849.21
IV	<b>Expenses</b>			
	Cost of raw materials and components consumed	21	<b>69,727.26</b>	48,193.07
	(Increase)/ decrease in inventories of finished goods and work in progress	22	<b>(950.58)</b>	1,917.56
	Employee benefit expenses	23	<b>5,941.45</b>	5,066.14
	Other expenses	24	<b>17,042.93</b>	13,434.23
	<b>Total expenses</b>		<b>91,761.06</b>	68,611.00
V	<b>Profit before finance costs, depreciation/amortisation expense, prior period, exceptional items and tax</b>		<b>8,598.70</b>	4,238.21
VI	Finance costs	25	<b>1,687.95</b>	2,069.53
VII	Depreciation and amortisation expense	26	<b>2,929.07</b>	2,485.39
VIII	<b>Profit before exceptional items, prior period items and tax</b>		<b>3,981.68</b>	(316.71)
	Exceptional items	27(a)	-	(1,755.76)
	Prior period items	27(b)	-	111.74
	<b>Profit before tax</b>		<b>3,981.68</b>	1,327.31
	<b>Tax expense</b>			
	Current tax		<b>370.15</b>	61.50
	Less : Minimum alternate tax credit entitlement		-	(58.45)
	Minimum alternate tax entitlement utilised		<b>384.23</b>	-
	Deferred tax charge/ (credit) (including Rs. 127.60 (previous year: Rs. Nil) for earlier year)		<b>283.80</b>	(104.81)
	<b>Total tax expense</b>		<b>1,038.18</b>	(101.76)
	<b>Profit for the year</b>		<b>2,943.50</b>	1,429.07
	<b>Earnings per equity share (par value Rs. 10 (absolute amount) per share)</b>	36		
	- Basic		<b>7.41</b>	3.52
	- Diluted		<b>7.35</b>	3.48
	[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**  
Director  
DIN : 00744518

**R.S. Jauhar**  
Director  
DIN : 00746186

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

**Vivek Bhatia**  
Chief Financial Officer

Place: Gurgaon  
Date: May 19, 2015

Place: New Delhi  
Date: May 19, 2015

# Cash Flow Statement

for the year ended March 31, 2015

(All amounts in Rupees lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,981.68</b>	1,327.31
<b>Adjustments for:</b>		
Depreciation and amortisation expense	<b>2,929.07</b>	2,524.65
Loss on sale of fixed assets	<b>5.60</b>	53.37
Interest expense	<b>961.59</b>	1,233.99
Interest income from fixed deposits	<b>(24.25)</b>	(59.85)
Excess provision no longer required written back	<b>-</b>	(4.30)
Provision for doubtful advance	<b>4.19</b>	14.30
Provision for doubtful debts	<b>-</b>	21.54
Bad debts written off	<b>5.46</b>	149.67
Sundry balance written off	<b>5.94</b>	72.93
Amortisation of ancillary cost of arranging the borrowings	<b>95.76</b>	201.19
Cash discount income	<b>(52.89)</b>	-
Cash discount expense	<b>278.24</b>	-
Share in profit of limited liability partnership	<b>(2,247.37)</b>	(1,070.99)
Profit on sale of investment	<b>-</b>	(2,025.01)
<b>Operating profit before working capital changes</b>	<b>5,943.02</b>	2,438.80
<b>Changes in operating assets and liabilities:</b>		
Increase in provisions	<b>75.25</b>	77.45
Decrease in trade payables	<b>(873.18)</b>	(1,495.43)
Decrease in other current liabilities	<b>82.90</b>	(189.16)
(Increase)/decrease in trade receivables	<b>3,102.79</b>	(1,053.50)
(Increase)/decrease in inventories	<b>(508.19)</b>	3,177.43
(Increase)/decrease in loans and advances	<b>(2,067.32)</b>	(5.19)
Decrease in other assets	<b>15.29</b>	75.60
<b>Cash generated from operations</b>	<b>5,770.56</b>	3,026.00
Direct taxes (paid) refund received (net)	<b>(380.85)</b>	61.89
<b>Net cash generated from operations</b>	<b>5,389.71</b>	3,087.89
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	<b>(2,186.60)</b>	(1,251.96)
Proceeds from sale of fixed assets	<b>31.85</b>	72.17
Movement in fixed deposits	<b>48.90</b>	336.53
Withdrawal from share in capital of limited liability partnership (net)	<b>2,224.92</b>	604.93
Proceeds from sale of investment	<b>-</b>	2,550.00
Interest received	<b>19.20</b>	70.50
<b>Net cash from / used in investing activities</b>	<b>138.27</b>	2,382.17

<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including share premium)	<b>65.43</b>	2.30
Redemption of preference shares	<b>(175.00)</b>	(175.00)
Dividend paid (including dividend distribution tax Rs. 72.46 (previous year Rs. 165.95))	<b>(466.10)</b>	(958.79)
Proceeds from long term borrowings	<b>300.00</b>	6,500.00
Repayment of long term borrowings	<b>(3,476.50)</b>	(5,180.15)
Repayment of short term borrowings (net)	<b>(1,063.55)</b>	(4,061.43)
Interest paid	<b>(999.55)</b>	(1,249.40)
Payment of ancillary cost of arranging the borrowings	<b>(88.66)</b>	(78.87)
<b>Net cash from / used in financing activities</b>	<b>(5,903.93)</b>	(5,201.34)
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(375.95)</b>	268.72
<b>Opening cash and cash equivalents</b>	<b>774.13</b>	505.41
<b>Closing cash and cash equivalents</b>	<b>398.18</b>	774.13
<b>Components of cash and cash equivalents:</b>		
Cash in hand	<b>4.15</b>	4.01
Balances with scheduled banks		
- On current account	<b>286.15</b>	696.45
- Unpaid dividend account*	<b>107.88</b>	73.67
<b>(Refer note 18 )</b>	<b>398.18</b>	774.13

**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 notified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.

\* 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**  
Director  
DIN : 00744518

**R.S. Jauhar**  
Director  
DIN : 00746186

**Praveen Lakhera**  
Company Secretary & Head Legal

**Vivek Bhatia**  
Chief Financial Officer

Place: Gurgaon  
Date: May 19, 2015

Place: New Delhi  
Date: May 19, 2015

# Notes to the Financial Statements

for the year ended March 31, 2015

(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). The Company has prepared these financial statements to comply in all material aspect of the Accounting Standard (AS) notified by Section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policy explained below. The financial statements have been prepared on an accrual basis and under historical cost convention.

### 2.1 Summary of significant accounting policies

#### a) Change in accounting policy

##### Depreciation on fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets and accordingly as per the transitional provision given in Schedule

II of the Companies Act 2013, an amount of Rs. 284.62 (Net of tax impact of Rs. 146.54) has been adjusted with opening reserve and surplus. Further, had the Company continued using earlier estimated useful life and residual value, current year profits before tax would have been higher by Rs. 250.52. The management believes that new depreciation rates reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

#### b) 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.

#### c) 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 book 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 year 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..

#### d) 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. The Company has used following estimated useful life to provide depreciation on its fixed assets:.

Particulars	Estimated useful life
- Factory building	30
- Other buildings	60
- Plant and Machinery <sup>1</sup>	15-20
- Furniture and fixtures <sup>2</sup>	4
- Vehicles <sup>2</sup>	4
- Office equipments <sup>2</sup>	3
- Computers <sup>2</sup>	3

- (1) The management has estimated, supported by independent assessment, the useful life of certain plant and machinery as 20 years, which is higher than those indicated in schedule II of the Companies Act 2013.
- (2) The management has estimated, based on past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

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

Residual value of fixed assets is considered at 5%.

#### e) Intangible 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. Intangible assets are amortised over the following estimated useful life:

- Software: 5 years
- Copyrights: 5 years.

#### f) 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.

#### g) 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..

#### h) 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..

#### i) 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.

#### **j) 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:

##### **i) 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.

##### **ii) Service income**

Revenue from job work services is recognised on completion of services.

##### **iii) Interest income**

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

##### **iv) Share of profit from LLP**

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

#### **k) 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.

#### **l) 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.

#### **m) Retirement and other 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 two defined benefit plan for its employees i.e. gratuity and long service award. The cost of providing benefits under these plans 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 leaves, which are 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.

**n) Income taxes**

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.

**o) 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 (Share Based Employee Benefits) Regulations, 2014 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. 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.

**p) Segment reporting**

**i) 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.

**ii) 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.

**q) 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.

**r) 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.

**s) 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.

**t) 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.

**u) Measurement of EBITDA**

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, finance costs, exceptional items, prior period items and tax expense.

**v) Derivative instruments and hedge accounting**

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made. It also uses interest rate swaps to hedge interest risk arising from variable rate loans. Derivative contracts, other than foreign currency forward contracts covered under AS11, are marked to market and the net loan, after considering the offsetting effect of gain on underlying hedged item, if any, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on underlying hedged items is ignored.

# Notes to the Financial Statements

for the year ended March 31, 2015

(All amounts in Rupees lacs, unless otherwise stated)

## 3 Share capital

	As at March 31, 2015	As at March 31, 2014
<b>Authorised share capital (amount per share in absolute rupees)</b>		
63,886,500 (Previous year 63,886,500) equity shares of Rs. 10 each	<b>6,388.65</b>	6,388.65
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	<b>350.00</b>	350.00
<b>Total</b>	<b>6,738.65</b>	6,738.65
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>		
Subscribed and fully paid (39,608,395 (Previous year 39,485,969) equity shares of Rs. 10 each)	<b>3,960.84</b>	3,948.60
Subscribed but not fully paid (30,645 (Previous year 30,645) equity shares of Rs. 10 each, amount called up Rs. 10 each)	<b>3.06</b>	3.06
Less: Call in arrears (Held by other than Directors)	<b>(1.52)</b>	(1.52)
<b>Issued, subscribed and fully paid up preference shares (amount per share in absolute rupees)</b>		
12.5% Optionally Convertible Cumulative Preference Shares (Nil preference shares of Rs. 100 each, (previous year 175,000 preference shares of Rs. 100 each))	-	175.00
	<b>3,962.38</b>	4,125.14

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

Equity Shares	March 31, 2015		March 31, 2014	
Equity Share - Subscribed and fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	39,485,969	3,948.60	39,482,219	3,948.22
Add : Fresh allotment of share (under ESOP scheme) (refer note 39)	122,426	12.24	3,750	0.38
At the end of the year	39,608,395	3,960.84	39,485,969	3,948.60
<b>Equity Share - Subscribed but not fully paid up</b>				
At the beginning and end of the year	30,645	3.06	30,645	3.06
<b>Preference Shares</b>				
At the beginning of the year	175,000	175.00	350,000	350.00
Less : Redemption during the year	175,000	175.00	175,000	175.00
At the end of the year	-	-	175,000	175.00

### 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, 2015, the Company has proposed dividend of Rs. 2.20 (absolute amount) (previous year Rs. 1 (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 previous year on October 1, 2013 and second instalment was redeemed on October 1, 2014. The preference shares holders are not entitled to any voting rights.

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

	March 31, 2015		March 31, 2014	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>Equity Shares of Rs. 10 each fully paid</b>				
Clearwater Capital Partners (Cyprus) Limited	9,614,147	24.25%	9,614,147	24.33%
MAP Auto Limited	11,773,899	29.70%	11,773,899	29.79%
NHK Spring Co. Limited, Japan	2,308,509	5.82%	2,308,509	5.84%
<b>Preference Shares of Rs. 100 each fully paid</b>				
IFCI Limited	-	-	175,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**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, 2015, an employee stock option scheme was in existence and 307,813 stock options (Previous year: 324,785) can be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 39 on ESOP.

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

	March 31, 2015		March 31, 2014	
	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 (Previous year of 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

**g. Share application money pending allotment**

	March 31, 2015		March 31, 2014	
	No of shares	Amount	No of shares	Amount
Shares proposed to be issued	500	-	500	-
Fully paid up value of shares	-	0.05	-	0.05
Premium on shares proposed to be issued	-	0.22	-	0.22
	500	0.27	-	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 March 3, 2015 and the corresponding shares will be allotted in the next compensation committee meeting.

## 4 Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital reserve</b> (refer note (a) below)	<b>315.71</b>	315.71
<b>Capital redemption reserve</b>		
Balance as per the last financial statements	<b>225.00</b>	50.00
Transferred from general reserve during the year	<b>175.00</b>	175.00
Closing balance	<b>400.00</b>	225.00
<b>Securities premium account</b>		
Balance as per the last financial statements	<b>14,970.76</b>	14,969.10
Add : Premium on issue of shares	<b>53.19</b>	1.65
<b>Closing balance</b>	<b>15,023.95</b>	14,970.75
<b>Amalgamation reserve</b>	<b>1,481.46</b>	1,481.46
<b>General reserve</b>		
Balance as per the last financial statements	<b>4,252.62</b>	4,427.62
Less : Amount transferred to Capital Redemption reserve <sup>^</sup>	<b>(175.00)</b>	(175.00)
<b>Closing balance</b>	<b>4,077.62</b>	4,252.62
<b>Deficit in the Statement of profit and loss</b>		
Balance as per the last financial statements	<b>(6,958.22)</b>	(7,886.98)
Less : Adjustment of opening depreciation as per the Companies Act 2013 (net off tax impact of Rs. 146.54)	<b>(284.62)</b>	-
Add: Profit for the year	<b>2,943.50</b>	1,429.07
Proposed equity dividend (refer note (c) below)	<b>871.73</b>	395.04
Proposed preference dividend (refer note (b) below)	<b>10.97</b>	32.81
Tax on equity dividend	<b>177.46</b>	67.14
Tax on preference dividend	<b>2.23</b>	5.32
<b>Net surplus/(deficit) in the Statement of profit and loss</b>	<b>(5,361.73)</b>	(6,958.22)
<b>Total reserves and surplus</b>	<b>15,937.01</b>	14,287.32

- (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 for a total amount of Rs.10.97 relating to the year ended March 31, 2015 (Previous year: Rs. 32.81). The same is subject to approval of shareholders.
- (c) The Company has declared a final dividend of Rs. 2.20 (absolute amount) (previous year Re.1 (absolute amount)) per equity share for the year, subject to the approval of shareholders.
- <sup>^</sup> Represents reserves created on account of redemption of Preference shares during the year.

## 5 Long-term borrowings

	Non current		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Secured loans</b>				
Term loans from banks				
- Indian rupee loan	<b>1,600.00</b>	5,734.07	<b>2,910.00</b>	3,152.43
- Foreign currency loan	<b>621.76</b>	-	<b>621.76</b>	-
Vehicle loans				
- From banks	<b>8.96</b>	28.69	<b>14.63</b>	25.31
- From financial institutions	<b>100.41</b>	33.72	<b>41.48</b>	13.62
<b>Total (A)</b>	<b>2,331.13</b>	5,796.48	<b>3,587.87</b>	3,191.36
<b>Unsecured loans</b>				
Deferred sales tax loan	<b>161.69</b>	347.78	<b>178.73</b>	435.89
<b>Total (B)</b>	<b>161.69</b>	347.78	<b>178.73</b>	435.89
<b>Total (A+B)</b>	<b>2,492.82</b>	6,144.26	<b>3,766.60</b>	3,627.25
Less: Amount disclosed under the head "other current liabilities" (note 11)	-	-	<b>3,766.60</b>	3,627.25
<b>Net amount</b>	<b>2,492.82</b>	6,144.26	-	-
<b>The above amount includes</b>				
Secured borrowings	<b>2,331.13</b>	5,796.48	<b>3,587.87</b>	3,191.36
Unsecured borrowings	<b>161.69</b>	347.78	<b>178.73</b>	435.89

(All Amounts in Lacs)

#	Security terms	Repayment terms and rate of interest
<b>A</b>	<b>ICICI Bank Ltd (Rs. 237.78 (previous year Rs. 713.32))</b>	
	<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 &amp; Executive Director and Mr. P. S. Jauhar, COO &amp; Executive Director.</p>	<p>Terms of repayment:</p> <p>16 equal quarterly instalments of Rs. 56.25 each commencing from October, 2011, i.e. 12 months from the date of first disbursement, 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:</p> <p>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. During the year, rate of interest varied from 13.50% to 14.30% (previous year 14.00% to 14.50%)</p>
<b>B</b>	<b>State Bank of India (Rs. Nil (previous year Rs. 1,317.62))</b>	
	<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 &amp; Executive Director and Mr. P. S. Jauhar, COO &amp; Executive Director.</p> <p>(e) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p><b>Capex term loan from State Bank of India</b></p> <p>Terms of repayment:</p> <p>16 equal quarterly instalments of Rs 187.50 commencing from October 2011, i.e., from the end of moratorium period.</p> <p>Rate of interest:</p> <p>5.25% above the base rate. During the year, interest rate was 14.35% (previous year 13.30% to 14.35%)</p> <p><b>Working capital term loan from State Bank of India</b></p> <p>Rate of interest:</p> <p>8 quarterly instalments of Rs. 250.00 lakhs and two equal instalments of 500.00 lakhs each commencing from April, 2012.</p> <p>Rate of interest:</p> <p>4% above the base rate. During the year, the interest rate was 15.00% (previous year 13.95% to 15.00%)</p>



<b>C</b>	<b>Kotak Mahindra Bank (Rs.222.22 (previous year Rs. 555.56))</b>	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant.</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant.</p> <p>(e) Second pari passu on the entire current assets.</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p>	<p>Terms of repayment: 36 equal monthly instalments of Rs. 27.78 each starting from December 2012 , i.e. the end of 1st month of first disbursement of term loan .</p> <p>Rate of interest: During the year, interest rate was 12.50% (previous year 12.5%)</p>
<b>D</b>	<b>Kotak Mahindra Bank (Rs.1,000.00 (previous year Rs.1,800.00))</b>	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant .</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant.</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs. 66.67 each starting from December 2013, i.e. the end of 6 months from disbursement of term loan.</p> <p>Rate of interest: During the year, the interest rate was 12.5% (previous year 12.5%)</p>
<b>E</b>	<b>Kotak Mahindra Bank (Rs.1,243.52 (previous year Rs.1,500.00))</b>	
	<p>(a) Exclusive mortgage charge on the Hosur plant</p> <p>(b) Personal Guarantees of Mr. P. S. Jauhar, COO &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p> <p>During the year, this loan was converted into Foreign Currency loan from Indian Rupee loan .</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs 51.81 (previous year Rs. 50) each starting from October , 2014, i.e. the end of 6 months from disbursement of term loan.</p> <p>Rate of interest: During the year, the interest rate ranged from 12.5 % to 6 months LIBOR+4.25%. (previous year 12.5%).</p>

(All Amounts in Lacs)

<b>F</b>	<b>SBER Bank (Rs.1,750.00 (previous year Rs.2,000.00))</b>	
	<p>(a) First pari passu charge on the movable and immovable fixed assets of Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company 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>(d) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs. 250.00 each starting from February, 2015, i.e. the end of 15th month from disbursement of term loan.</p> <p>Rate of interest: During the year, the interest rate was 13.50% (previous year 13.50%)</p>
<b>G</b>	<b>HDFC Bank (Rs.1,300.00 (previous year Rs.1,000.00))</b>	
	<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 &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p> <p>(d) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs. 162.50 each starting from June, 2015, i.e. after 14 months from first disbursement of term loan.</p> <p>Rate of interest: During the year, the rate of interest is 11.95% (previous year 11.95 %)</p>
<b>H</b>	<b>Vehicle loan (Rs.165.48 (previous year Rs.101.34))</b>	
	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 9.50 % to 12.50 %	
<b>I</b>	<b>Deferred sales tax loan (Rs.340.42 (previous year Rs.783.67))</b>	
	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.	

## 6 Deferred tax liability (net)

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Deferred tax liability</b>		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	<b>1,778.32</b>	2,007.96
<b>Less : Deferred tax assets</b>		
Brought forward losses as per tax laws	-	378.89
Provision for bad and doubtful debts	<b>10.89</b>	10.69
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>176.83</b>	165.02
<b>Total deferred tax asset</b>	<b>187.72</b>	554.60
<b>Deferred tax liability (net)</b>	<b>1,590.60</b>	1,453.36

## 7 Other Long term liabilities

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Security deposit	<b>7.13</b>	7.13
<b>Total</b>	<b>7.13</b>	7.13

## 8 Provisions

	Long - term		Short - term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Provision for employees benefits</b>				
Provision for leave encashment	<b>161.46</b>	144.07	<b>23.77</b>	40.44
Provision for long service award	<b>19.95</b>	-	<b>7.49</b>	-
Provision for gratuity (Refer note no. 42)	<b>211.39</b>	164.30	-	-
<b>Total</b>	<b>392.80</b>	308.37	<b>31.26</b>	40.44
<b>Other provisions</b>				
Provision for proposed equity dividend	-	-	<b>871.73</b>	395.04
Provision for proposed preference dividend	-	-	<b>10.94</b>	32.81
Tax on proposed equity dividend	-	-	<b>177.46</b>	67.14
Tax on proposed preference dividend	-	-	<b>2.23</b>	5.32
	-	-	<b>1,062.36</b>	500.31
<b>Total</b>	<b>392.80</b>	308.37	<b>1,093.62</b>	540.75

## 9 Short term borrowings

	As at March 31, 2015	As at March 31, 2014
Buyer's credit from banks #	<b>97.13</b>	825.09
Total	<b>97.13</b>	825.09
Above amount includes		
Secured borrowings #	<b>97.13</b>	825.09
Unsecured borrowings	-	-
	<b>97.13</b>	825.09

# The Company has a facility for short term borrowings from a consortium of State Bank of India, ICICI Bank, Kotak Mahindra Bank, Standard Chartered Bank, Lakshmi Vilas Bank, HDFC Bank, Axis Bank and Yes Bank. The balance outstanding as at the year end carries interest of 2.16% (previous year 1.02% to 1.35%) and is secured by:

- First pari passu charge on the entire current assets of the Company both present and future.
- Second pari passu charge over fixed assets of the Company both present and future.
- Personal guarantees of Mr R. S. Jauhar, CEO & Executive Director and Mr P. S. Jauhar, COO & Executive Director.
- Pledge of 15 lakhs shares of the Company held by Promoters of the Company.

## 10 Trade payables

	Current	
	As at March 31, 2015	As at March 31, 2014
Trade payables (including acceptances* Rs. 12,784.14 (previous year Rs. 14,624.71)) (refer note (a) below)	<b>17,534.60</b>	18,460.67
	<b>17,534.60</b>	18,460.67

\* The acceptances are secured under short term borrowings facility from banks. Refer note 9 for details of securities.

## 11 Others current liabilities

	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowing (Refer note 5)	3,766.60	3,627.25
Provision for mark to market liability on derivative contracts	53.24	-
Interest accrued but not due on borrowings	16.41	54.37
Investor education and protection fund will be credited by following amounts (as and when due)	-	-
- Unpaid dividends	107.88	73.67
<b>Other payables</b>		
Creditors for purchase of fixed assets (Refer note (a) below)	128.69	42.15
Statutory dues payable		
Service tax payable	5.46	0.94
Sales tax payable	42.62	71.91
Work contract tax payable	1.43	-
TDS payable	79.56	58.99
PF and ESI payable	42.04	37.38
Other payable	47.40	19.60
<b>Total</b>	<b>4,291.33</b>	<b>3,986.26</b>
<b>Grand total</b>	<b>21,825.93</b>	<b>22,446.93</b>

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, 2015

Particulars	Gross Block			Accumulated depreciation			Net block		
	As at April 1, 2014	Additions during the year	Sale/ adjustment during the year	As at March 31, 2015	As at April 1, 2014	Depreciation / amortisation charged for the year*	Deduction	As at March 31, 2015	As at March 31, 2014
Tangible fixed assets									
Freehold land (refer note 45)	2,771.29	626.98	-	3,398.27	-	-	-	3,398.27	2,771.29
Leasehold land	963.58	-	-	963.58	42.62	14.00	-	906.96	920.96
Factory building	5,530.12	294.07	-	5,824.19	1,367.70	508.53	-	3,947.96	4,162.42
Office building	62.47	-	-	62.47	4.86	57.61	-	-	57.61
Plant and machinery	30,032.31	572.90	605.13	30,000.08	13,623.77	2,287.09	593.60	14,682.82	16,408.54
Furniture and fixtures	96.09	4.90	0.78	100.21	64.49	26.22	0.63	10.13	31.60
Vehicles	478.97	149.11	41.53	586.55	178.82	185.56	18.60	240.77	300.15
Office equipment	289.58	27.04	12.51	304.11	142.47	131.13	10.03	40.54	147.11
Computer hardware	425.13	24.31	16.25	433.19	302.02	56.84	15.89	90.22	123.11
Total	40,649.54	1,699.31	676.20	41,672.65	15,726.75	3,266.98	638.75	23,317.67	24,922.79
Intangible fixed assets									
Goodwill	921.02	-	-	921.02	921.02	-	-	-	-
Computer software	452.59	30.19	-	482.78	321.00	93.25	-	68.53	131.59
Copyrights	3,497.58	-	-	3,497.58	3,497.58	-	-	-	-
Total	4,871.19	30.19	-	4,901.38	4,739.60	93.25	-	68.53	131.59
Grand Total	45,520.73	1,729.50	676.20	46,574.03	20,466.35	3,360.23	638.75	23,386.20	25,054.38

\* Refer note 2.1(a)

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	Deduction	As at March 31, 2014
<b>Tangible fixed assets</b>								
Freehold land (refer note 45)	2,771.29	-	-	2,771.29	-	-	-	2,771.29
Leasehold land	962.33	1.25	-	963.58	25.86	16.76	-	920.96
Factory building	5,506.02	24.68	0.58	5,530.12	1,191.79	175.91	-	4,162.42
Office building	62.47	-	-	62.47	3.84	1.02	-	57.61
Plant and machinery	29,764.83	1,718.31	1,450.83	30,032.31	13,210.60	1,777.33	1,364.16	16,408.54
Furniture and fixtures	138.70	7.10	49.71	96.09	102.85	8.53	46.89	31.60
Vehicles	500.09	58.05	79.17	478.97	182.85	64.65	68.68	300.15
Office equipment	347.88	26.85	85.15	289.58	168.72	35.17	61.42	147.11
Computer hardware	416.58	112.23	103.68	425.13	331.82	72.63	102.43	123.11
<b>Total</b>	<b>40,470.19</b>	<b>1,948.47</b>	<b>1,769.12</b>	<b>40,649.54</b>	<b>15,218.33</b>	<b>2,152.00</b>	<b>1,643.58</b>	<b>24,922.79</b>
<b>Intangible fixed assets</b>								
Goodwill	921.02	-	-	921.02	921.02	-	-	-
Computer Software	405.95	46.64	-	452.59	233.16	87.84	-	131.59
Copyrights	3,497.58	-	-	3,497.58	3,212.77	284.81	-	-
Total	4,824.55	46.64	-	4,871.19	4,366.95	372.65	-	131.59
Grand Total	45,294.74	1,995.11	1,769.12	45,520.73	19,585.28	2,524.65	1,643.58	25,054.38
								25,709.46

## 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, 2015	For the year ended March 31, 2014
Salary, wages and bonus	85.46	-
Consumption of stores and consumables	73.14	170.78
Others expenses	15.72	31.72
<b>Total</b>	<b>174.32</b>	<b>202.50</b>



## 13 Investments

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Long - term non - trade investments</b>				
<b>Investment in limited liability partnership</b>				
99.99850% share in Jai Suspension Systems LLP	2,113.35	2,090.90	-	-
<b>Total</b>	<b>2,113.35</b>	<b>2,090.90</b>	<b>-</b>	<b>-</b>

### Details of investment in partnership firm

Investment in Jai Suspension System LLP

Name of Partner			As at March 31, 2015	As at March 31, 2014
Share of partner in profits (%)				
Jamna Auto Industries Limited			99.99850%	99.99850%
Mr. Ashok Kumar Goyal			0.00075%	0.00075%
Mr. Madhukar Sharma			0.00075%	-
Mr. Shakti Goyal			-	0.00075%
<b>Total capital of the firm</b>			<b>2,113.42</b>	<b>2,091.07</b>

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

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital advances				
Unsecured considered good	<b>107.70</b>	124.78	-	-
Unsecured considered doubtful	<b>5.61</b>	5.61	-	-
	<b>113.31</b>	130.39	-	-
Less: Provision for doubtful advances	<b>(5.61)</b>	(5.61)	-	-
<b>Total</b>	<b>107.70</b>	124.78	-	-
Security deposits - Considered good	<b>322.91</b>	308.99	<b>4.48</b>	6.50
<b>Total</b>	<b>322.91</b>	308.99	<b>4.48</b>	6.50
<b>Advances recoverable in cash or in kind</b>				
Advance to suppliers - considered good	-	-	<b>1,333.20</b>	184.93
- considered doubtful	<b>50.37</b>	41.52	-	-
Advance income tax (net)	<b>310.96</b>	299.76	-	-
Minimum alternate tax credit entitlement	<b>959.77</b>	1,344.00	-	-
Prepaid expenses	-	0.02	<b>65.67</b>	74.62
Advance to employees-considered good	-	-	<b>58.42</b>	38.72
Balance with sales tax authorities	<b>1,444.22</b>	225.91	<b>60.10</b>	449.12
Balance with excise and custom authorities	-	-	<b>461.11</b>	372.49
Duty paid under protest	<b>23.64</b>	9.38	-	6.79
Other recoverable in cash or kind	-	-	<b>19.90</b>	59.50
	<b>2,788.96</b>	1,920.59	<b>1,998.40</b>	1,186.17
Less :- Provision for doubtful advances	<b>(50.37)</b>	(41.52)	-	-
<b>Total</b>	<b>2,738.59</b>	1,879.07	<b>1,998.40</b>	1,186.17
<b>Grand Total</b>	<b>3,169.20</b>	2,312.84	<b>2,002.88</b>	1,192.67

## 15 Other assets

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Non current bank balances (note 18)	23.44	18.51	-	-
<b>Unamortised expenditure</b>				
Ancillary cost of arranging the borrowings	8.39	13.61	43.18	45.06
	8.39	13.61	43.18	45.06
<b>Others</b>				
Interest accrued on fixed deposits	9.11	4.06	-	-
DEPB receivable	-	-	-	5.18
Unbilled revenue	-	-	0.69	10.80
	9.11	4.06	0.69	15.98
<b>Total</b>	<b>40.94</b>	<b>36.18</b>	<b>43.87</b>	<b>61.04</b>

## 16 Inventories

	As at March 31, 2015	As at March 31, 2014
Raw material [includes goods in transit: Rs. 624.33 (previous year: Rs. 795.20)]	1,875.53	2,210.31
Components	558.51	590.37
Work-in-progress	1,327.22	2,429.51
Finished goods [includes goods in transit Rs. 1,973.93 (Previous year: 940.83)]	3,890.80	1,873.26
Stores and spares	538.56	614.31
Scrap	64.35	29.02
<b>Total</b>	<b>8,254.97</b>	<b>7,746.78</b>

## 17 Trade receivables (considered good, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
Outstanding over six months		
Unsecured, considered good	32.97	12.83
Unsecured, considered doubtful	31.46	31.46
	64.43	44.29
Other receivables		
Unsecured, considered good	7,065.56	10,472.19
	7,129.99	10,516.48
Less: Provision for doubtful debts	(31.46)	(31.46)
<b>Total</b>	<b>7,098.53</b>	<b>10,485.02</b>
<b>Trade receivables include receivable from subsidiary</b>		
- Jai Suspension Systems LLP (refer note 35 on related party)	3,407.96	3,348.31

## 18 Cash and bank balances

	Non current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents</b>				
Balance with banks				
On current account	-	-	<b>286.15</b>	696.45
On unpaid dividend account	-	-	<b>107.88</b>	73.67
Cash on hand	-	-	<b>4.15</b>	4.01
	-	-	<b>398.18</b>	774.13
<b>Other bank balances</b>				
Deposits with bank with more than 12 months #	<b>6.33</b>	1.14	<b>26.86</b>	5.77
Deposits with bank with more than 3 months and less than 12 months*	-	-	<b>179.22</b>	254.14
Margin money deposits	<b>17.11</b>	17.37	-	-
<b>Total</b>	<b>23.44</b>	18.51	<b>206.08</b>	259.91
Amount disclosed under non current assets (note 15)	<b>(23.44)</b>	(18.51)	-	-
<b>Total</b>	-	-	<b>604.26</b>	1,034.04

\* Includes fixed deposit kept as margin money Rs. 179.22 (previous year Rs. 254.14)

# Includes fixed deposit kept as margin money Rs. 33.19 (previous year Rs. 6.91)

## 19 Revenue from operations

	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products - finished goods	<b>107,495.22</b>	77,919.12
Sale of services	-	644.17
<b>Other operating revenue</b>		
- Scrap sale	<b>2,379.44</b>	1,843.39
<b>Revenue from operations (gross)</b>	<b>109,874.66</b>	80,406.68
Less : Excise duty*	<b>11,953.32</b>	8,814.84
<b>Revenue from operations (net)</b>	<b>97,921.34</b>	71,591.84
*Excise duty on sales amounting to Rs. 11,953.32 (previous year Rs. 8,814.84) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease in stock amounting to Rs. 239.24 (Previous year Rs. 2.84) has been considered as expense/(income) in note 24 of financial statements.		
<b>Details of product sold</b>		
Leaf springs	<b>75,989.28</b>	52,524.91
Loose leaves	<b>26,979.28</b>	23,991.48
Lift axle	<b>3,781.48</b>	1,402.73
Lift axle components	<b>745.18</b>	-
	<b>107,495.22</b>	77,919.12
<b>Details of services rendered</b>		
Job work	-	644.17

## 20 Other Income

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income		
- From banks	24.25	53.39
- From others	7.25	6.46
Share in profit of limited liability partnership	2,247.37	1,070.99
Excess provision written back	-	4.30
Duty drawback / DEPB income	17.19	14.04
Cash discount	52.89	-
Miscellaneous income	89.47	108.19
	2,438.42	1,257.37

## 21 Raw Material and Components Consumed

	For the year ended March 31, 2015	For the year ended March 31, 2014
Inventory at the beginning of the year	2,800.68	3,839.16
Add : Purchases during the year	69,360.62	47,154.59
<b>Total</b>	<b>72,161.30</b>	<b>50,993.75</b>
Less : Inventory at the end of the year	2,434.04	2,800.68
<b>Cost of materials consumed</b>	<b>69,727.26</b>	<b>48,193.07</b>
Details of Raw material and components consumed		
Steel flats	63,653.81	44,637.12
Bushes	1,642.27	1,167.14
Others	4,431.18	2,388.81
	69,727.26	48,193.07
<b>Details of inventory</b>		
<b>Raw material and components</b>		
Steel flats	1,875.53	2,210.31
Bushes	105.15	97.43
Others	453.36	492.94
	2,434.04	2,800.68

## 22 Changes in inventory of finished goods and work in progress and scrap

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Inventories at the end of year</b>		
- Finished goods	3,890.80	1,873.26
- Work in progress	1,327.22	2,429.51
- Scrap	64.35	29.02
<b>Total</b>	<b>5,282.37</b>	<b>4,331.79</b>
<b>Inventories at the beginning of year</b>		
- Finished goods	1,873.26	1,833.58
- Work in progress	2,429.51	4,385.51
- Scrap	29.02	30.26
<b>Total</b>	<b>4,331.79</b>	<b>6,249.35</b>
<b>Decrease/ (increase) in inventory#</b>	<b>(950.58)</b>	<b>1,917.56</b>
# Includes WIP amounting to Rs. 571.29 written off during the year.		

<b>Detail of inventory</b>		
<b>Finished goods</b>		
Leaf springs	<b>3,816.03</b>	1,727.53
Loose leaves	<b>66.73</b>	131.47
Lift axle	<b>8.04</b>	14.26
	<b>3,890.80</b>	1,873.26
<b>Work-in-progress</b>		
Leaf springs	<b>257.53</b>	391.59
Loose leaves	<b>1,020.28</b>	1,985.98
Lift axle	<b>49.41</b>	51.94
	<b>1,327.22</b>	2,429.51

## 23 Employee benefits expense

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Salaries, wages and bonus	<b>5,279.72</b>	4,618.48
Gratuity expense (refer note 42)	<b>50.70</b>	16.51
Contribution to provident and other funds	<b>225.18</b>	230.20
Staff welfare expenses	<b>385.85</b>	200.95
<b>Total</b>	<b>5,941.45</b>	5,066.14

## 24 Other expenses

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Consumption of stores and spare parts	<b>3,290.98</b>	2,307.85
Power and fuel	<b>8,002.46</b>	6,742.81
Job charges	<b>1,215.91</b>	783.11
Increase in excise on finished goods	<b>239.24</b>	2.84
Rent (Refer note 37)	<b>120.72</b>	154.32
Repair and maintenance		
- buildings	<b>128.63</b>	75.54
- plant and machinery	<b>300.67</b>	244.20
- others	<b>129.09</b>	114.97
Rates and taxes	<b>162.09</b>	68.53
Travelling and conveyance	<b>552.78</b>	330.09
Legal and professional	<b>416.30</b>	401.07
Payment made to auditors (Refer note 34)	<b>42.83</b>	37.47
Loss on sale / discard of fixed assets (net)	<b>5.60</b>	53.37
Sundry balances written off	<b>5.94</b>	72.93
Provision for doubtful advances	<b>4.19</b>	14.30
Provision for doubtful debts	<b>-</b>	21.54
Bad debts written off	<b>5.46</b>	149.67
Freight, forwarding and packing	<b>1,521.64</b>	912.73
Sales promotion and advertisement	<b>71.58</b>	51.74
Selling expenses	<b>143.21</b>	286.48
Commission on sales	<b>24.27</b>	-
Security charges	<b>62.39</b>	16.38
CSR expenses (refer note 43)	<b>56.43</b>	9.45
Donation	<b>1.34</b>	6.86
Royalty	<b>114.27</b>	58.15
Exchange fluctuation loss	<b>85.53</b>	200.57
Directors sitting fees	<b>4.00</b>	4.10

Insurance	48.94	39.45
SAP Expenses	41.26	43.82
Printing stationery and communication	96.94	87.54
Miscellaneous expenses	148.24	142.35
<b>Total</b>	<b>17,042.93</b>	<b>13,434.23</b>

## 25 Finance costs

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest to banks	958.19	1,233.99
Interest others	3.40	-
Amortisation of ancillary borrowing costs	95.76	201.19
Cash discount	278.24	-
Bank charges	352.36	634.35
<b>Total</b>	<b>1,687.95</b>	<b>2,069.53</b>

## 26 Depreciation and amortisation expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
Depreciation on tangible assets	2,837.11	2,115.16
Amortisation on intangible assets	91.96	370.23
<b>Total</b>	<b>2,929.07</b>	<b>2,485.39</b>

## 27 (a) Exceptional items

	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit on sale of investment*	-	(2,025.01)
Depreciation on custom duty capitalised on surrender of EPCG licences**	-	39.26
Interest on surrender of EPCG licences **	-	229.99
	-	(1,755.76)

\* Represents profit on sale of 5,249,920 shares in NHK Spring India Limited at an agreed price of Rs. 2,550.

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

## 27 (b) Prior period expenditure

	For the year ended March 31, 2015	For the year ended March 31, 2014
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, 2015	As at March 31, 2014
	Contingent liability		
i.	Income tax	1,305.00	954.85
ii.	Claims against company not acknowledged as debts (civil cases)	294.09	336.56
iii.	Custom and excise duty / service tax	59.90	46.03
iv.	Sales tax and entry tax	38.82	6.37
v.	Guarantee given by the Company	5,000.00	5,000.00
vi.	Bank guarantees	286.52	41.81
		6,984.33	6,385.62

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

- 1) With respect to assessment year 2010-11 to 2012-13, the assessing officer has added to the income of the Company, a notional interest amounting to Rs 32.40 on certain interest free advances given by the Company. The tax impact of the same is Rs 11.01 (Previous year: Rs. Nil). The Company has preferred appeal with CIT (A) and based on internal assessment, the Company is confident of a favourable outcome.
- 2) With respect to assessment year 2008-09 to 2012-13 the assessing officer has disallowed certain expenses amounting to Rs. 143.74 on adhoc basis. Tax impact of the same is Rs. 48.85 (Previous year: 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 outcome.
- 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 (Previous year: 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 outcome.
- 4) During the year, the Company received an assessment order with respect to assessment year 2012-13. The assessing officer has increased the taxable income of the Company by Rs 1,095.73 contending that it has sold material of its subsidiary firm (Jai Suspension System LLP (JSSLLP) at lower margin in order to divert its profits to JSSLLP as JSSLLP was enjoying tax exemption during that year. Tax impact of the same is Rs. 372.46 (Previous year: Rs. Nil). The Company is in process of filing an appeal against this order and based on discussion with the legal counsel is confident of a favourable outcome.
- 5) With respect to the assessment year 2010-11, the assessing officer has increased the taxable income of the Company by Rs 6.62 contending that it has disclosed lower scrap sales during that year. Tax impact of the same is Rs 2.25 (Previous year: Rs. 7.07). The Company, based on internal assessment and discussion with its legal counsel is confident of a favourable outcome.
- 6) With respect to the assessment years 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. The matter has been settled during the year. Tax impact of the same is Rs. Nil (Previous year: Rs. 31.47).
- 7) With respect to the assessment years 2008-09 the assessing office has disallowed certain penalties amounting to Rs. 18.29 which were already disallowed by the Company while filing its return of income. The matter has been settled during the year. The tax impact of the same is Rs. Nil (Previous year: Rs. 6.22).

### 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 the 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 2008-09 to 2013-14. The Company has done an

analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 17.04 (Previous year Rs. 3.17).

#### **In relation to iv above sale tax/entry 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. During the year, the matter has been decided in favour of the Company. The amount involved is Rs. Nil (Previous year Rs. 6.37).
- 2) Matter pending before Sales Tax Appellate Tribunal, Chennai in respect of demand by sales tax department against sales tax not paid on finished goods treated as export of goods. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 4.85 (Previous year Rs. Nil).
- 3) Matter pending before High Court, Gwalior in respect of demand by sales tax department against entry tax paid on raw material. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 33.97 (Previous year Rs. Nil).

## **29 Commitments**

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,866.51	97.88
For lease related commitments (refer note 37 below)	1,866.51	97.88

## **30 Dividend remitted in foreign currency**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Number of non-resident shareholders	-	2.00
Number of equity shares held on which dividend was due	-	2,608,509
Amount remitted in foreign currency	-	52.17

## **31 Value of import on C.I.F basis**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Raw material and components	3,507.98	537.76
Stores and spare parts	4.75	24.85
Capital goods	46.93	-
	3,559.66	562.61

## **32 Expenditure in foreign currency (accrual basis)**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Legal and professional	38.25	51.14
Travelling and conveyance	76.04	78.17
Royalty	114.27	58.15
	228.56	187.46

## **33 Earning in foreign currency**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Export at F.O.B. value	1,038.80	754.03
	1,038.80	754.03

### 34 Payment to auditors (excluding service tax)

	For the year ended March 31, 2015	For the year ended March 31, 2014
As auditor		
- Audit fee	20.00	15.00
- Limited review fee	15.00	14.00
As other capacity		
- Other services	4.50	5.25
Reimbursement of expenses	3.33	3.22
	42.83	37.47

### 35 Related party disclosures

#### A) Names of related parties and relationship

##### I. Related parties where control exists

Jai Suspension Systems LLP

##### II. Related parties under Accounting Standard-18 (AS-18), "Related Parties Disclosure", 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 w.e.f 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

###### d. 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 30th May 2013  
B.S. Jauhar (HUF)

##### III Additional Related parties as per the Companies Act 2013, with whom transactions have taken place during the year:

Chief Financial Officer	Mr. Vivek Bhatia
Company Secretary	Mr. Praveen Lakhera
Enterprises in which Director is a member	MAP Auto Limited Jamna Agro Implements Private Limited S.W. Farms Private Limited

a) Transactions with related parties

Transactions during the year	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Sale of goods</b>		
Jai Suspension Systems LLP	26,520.25	24,644.37
<b>Sale of components</b>		
Jai Suspension Systems LLP	16.74	-
<b>Miscellaneous income</b>		
<b>(Sale of non-operational scrap)</b>		
MAP Auto Limited	4.99	-
<b>Sale of fixed assets</b>		
Jai Suspension Systems LLP	-	42.54
MAP Auto Limited	1.63	-
<b>Purchase of goods</b>		
Jai Suspension Systems LLP	10.01	64.32
Jamna Agro Implements Private Limited	89.47	74.49
<b>Purchase of machinery</b>		
Jai Suspension Systems LLP	6.92	-
<b>Services rendered (Job Work)</b>		
Jai Suspension Systems LLP	-	632.75
<b>Services received</b>		
<b>- Freight, forwarding and packaging</b>		
MAP Auto Limited	313.28	391.52
<b>- Commission expense</b>		
Winthrop Marketing	-	2.24
<b>- Job Charges</b>		
MAP Auto Limited	400.96	239.78
<b>Expenses incurred on behalf of related party</b>		
Jai Suspension Systems LLP	8.91	-
<b>Expenses incurred by related party on our behalf</b>		
Jai Suspension Systems LLP	5.56	42.35
<b>Managerial remuneration</b>		
Mr. R.S. Jauhar	221.26	140.30
Mr. P.S. Jauhar	220.66	146.99
Mr. H.S. Gujral	17.59	11.70
Mr. Vivek Bhatia	71.82	-
Mr. Praveen Lakhera	41.86	-
<b>Remuneration to others</b>		
Mrs. Kiran Chadha	18.16	18.16
<b>Profit in share of profits of LLP</b>		
Jai Suspension Systems LLP	2,247.37	1,070.99
<b>Rent expense</b>		
Mr. P. S. Jauhar	-	16.45
Mrs. Sonia Jauhar	33.61	33.61
S.W. Farms Private Limited	21.54	21.53
<b>Rent income</b>		
MAP Auto Limited	2.15	2.05

<b>Guarantee and collaterals</b>		
<b>Corporate guarantee given by the Company for borrowings of related party</b>		
Jai Suspensions Systems LLP	-	5,000
<b>Guarantee given by related party for borrowings of the Company</b>		
Jai Suspensions Systems LLP	(5,500.00)	3,300.00
<b>Personal guarantees given / (Released) by promoters for borrowings of the Company</b>		
Mr. R. S. Jauhar	(4,000.00)	1,800.00
Mr. P. S. Jauhar	(4,000.00)	-

**b) Balances as at the year end**

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Trade receivables</b>		
Winthrop Marketing	-	0.45
Jai Suspension Systems LLP	3,407.96	3,348.31
MAP Auto Limited	0.69	-
<b>Trade payables:</b>		
MAP Auto Limited	51.28	36.91
Jamna Agro Implements Private Limited	1.63	0.30
<b>Guarantee and collaterals by the Company for borrowings of the related party</b>		
Guarantee given for Jai Suspension Systems LLP	5,000.00	5,000.00
<b>Guarantee given by related party for borrowings of the Company</b>		
Jai Suspensions Systems LLP	31,354.00	36,854.00
<b>Personal guarantee given by promoters*</b>		
Mr. B. S. Jauhar		
Mr. R. S. Jauhar	40,654.00	44,654.00
Mr. P. S. Jauhar	40,654.00	44,654.00
<b>Pledge of shares by promoters (Nos.)</b>		
Mr. B. S. Jauhar	34,224.00	34,224.00
Mr. R. S. Jauhar	387,740.00	387,740.00
S. W. Farms Private Limited	340,000.00	340,000.00
MAP Auto Ltd.	890,210.00	890,210.00

\*Outstanding exposure including interest accrued but not due, Bank guarantees and letters of credit as at March 31, 2015 - Rs. 21,209 lacs (previous year Rs. 24,845 lacs)

### 36 Earning per share (EPS)

	As at March 31, 2015	As at March 31, 2014
Net profit after tax	2,943.50	1,429.07
Less: Dividend on 12.5% optionally convertible cumulative preference shares for the year	13.20	38.39
Net profit for the period attributable to equity shares	2,930.30	1,390.68
Weighted average number of equity shares during the period in calculating basic EPS	39,548,182	39,500,027
Add: Stock options granted under ESOP	307,813	501,475
Weighted average number of equity shares during the period in calculating diluted EPS	39,855,995	40,001,502
Basic EPS (absolute amount)	7.41	3.52
Diluted EPS (absolute amount)	7.35	3.48

### 37 Obligation on long term non-cancellable operating lease

The Company has entered into certain operating leases for office premises and guest houses. These leases have an average life of 11 months. These leases are renewable on mutual consent of lessor and the Company. There are no restrictions placed upon the Company by entering into these leases. During the year, the Company has incurred Rs. 120.72 (Previous year: Rs. 154.32) as rental expense. There is no non-cancellable period under these leases.

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

- Sales within India includes sales to customers located within India
- Sales outside India includes sales to customers located outside India

The following is the distribution of the company's revenue from operation (Net) by geographical market, based on the location of the customer, regardless of where the goods were produced

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Turnover (gross)</b>		
India	108,791.02	79,609.60
Outside India	1,083.64	797.08
<b>Total</b>	<b>109,874.66</b>	<b>80,406.68</b>
The following table shows the carrying amount of trade receivables by geographical segment based on the location of customers.		
<b>Sundry Debtors</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
India	7,017.25	10,354.97
Outside India	81.28	130.05
<b>Total</b>	<b>7,098.53</b>	<b>10,485.02</b>

All other assets (other than trade receivables) used in the company's business are located in India and are used to cater both the customers (Within India and Outside India), accordingly the total cost incurred during the year 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 (Share based employee benefits) Regulations, 2014. 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 forth 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	314,000
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, 2015		For the year ended March 31, 2014	
	No.	Weighted Average Exercise Price	No.	Weighted Average Exercise Price
Options outstanding at the beginning of the year	501,475	72.83	621,500	71.33
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	71,236	83.91	116,275	65.45
Options exercised during the year	122,426	153.97	3,750	63.15
Options outstanding at the end of the year	307,813	77.97	501,475	72.83
Options exercisable at the end of the year	276,088	73.07	324,785	72.83

- (c) Weighted average shares price on the date of exercise of the options is Rs. 153.97 (Previous year Rs. 63.15 )



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

For the year ended 31 March 2015			For the year ended 31 March 2014		
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
0	-	0 years	9,425	30.62	0.83 years
0	-	0 years	1,500	44.20	1.42 years
199,948	54.95	2.14 years	350,350	54.95	2.60 years
107,865	120.65	1.88 years	140,200	120.65	2.57 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, 2015	For the year ended March 31, 2014
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 (Share based employee benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, 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 and components and stores and spares consumed during the year:**

	For the year ended March 31, 2015		For the year ended March 31, 2014	
	% of total consumption	Value	% of total consumption	Value
<b>Raw material and components</b>				
Imported	3.28%	2,289.34	1.61%	775.74
Indigenous	96.72%	67,437.92	98.39%	47,417.33
	100.00%	69,727.26	100.00%	48,193.07
<b>Stores and spares</b>				
Imported	0.49%	16.07	0.07%	1.60
Indigenous	99.51%	3,274.91	99.93%	2,306.25
	100.00%	3,290.98	100.00%	2,307.85

## 41 Derivative instruments and unhedged foreign currency exposure

### Particulars of unhedged foreign currency exposure

Particulars	Currency	For the year ended March 31, 2015		For the year ended March 31, 2014	
		Foreign currency amount in lakhs	Amount (Rs.)	Foreign currency amount in lakhs	Amount (Rs.)
Trade receivables	USD	1.30	8 1.28	2.16	130.05
Trade payables	USD	2.61	163.67	0.91	54.51
Loans	USD	19.87	1,243.52	-	-
	EURO	-	-	7.33	605.79
	JPY	186.39	97.13	372.79	219.30

## 42 Gratuity and other Employee benefits

The Company operates two plans viz ,gratuity and long term service awards for its employees. Under the gratuity plan every employee who has completed atleast five years of service gets Gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy. Under long term service award the employee is entitle to a fixed amount on completion of ten years and fifteen year of service. The Gratuity scheme is funded with an insurance Company in the form of a qualifying insurance policy. The Scheme of Long term service award is unfunded.

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

	As at March 31, 2015	As at March 31, 2014
Changes in the present value of the defined benefit obligation are as follows:		
Obligations at the beginning of the year	364.36	356.51
Service cost	55.30	38.00
Interest cost	31.88	30.30
Actuarial (gain) / loss	(19.85)	(34.65)
Benefits paid	(22.85)	(25.80)
Obligations at the end of the year	408.84	364.36
Changes in the fair value of the plan assets are as follows:		
Fair value of planned assets at the beginning of the year	200.06	208.72
Expected return on plan assets	16.62	18.26
Contributions	3.62	-
Benefits paid	(22.85)	(25.80)
Actuarial gain / (loss) on planned assets	0.01	(1.12)
Fair value of planned assets at the end of the year	197.45	200.06
Net liability recognized	211.39	164.30
<b>Statement of profit and loss</b>		
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		
Current service cost	55.30	38.00
Interest cost on obligation	31.88	30.30
Expected return on planned assets	(16.62)	(18.26)
Net actuarial (gain) / losses	(19.86)	(33.53)
Net expense to be recognised	50.70	16.51
Assumptions used in accounting for the gratuity plan		
Discount rate	7.78%	8.75%
Expected rate of salary increase	6.00%	6.00%
Expected rate of return on planned assets	8.50	8.75
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, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
PBO (C)	408.84	364.36	356.51	302.87	210.56
Plan Assets	197.45	200.06	208.72	215.90	-
Net Assets (Liability)	(211.39)	(164.30)	(147.80)	(86.97)	210.56
Experience (gain) / losses on PBO	80.51	25.43	(16.17)	(47.24)	-
Experience adjustment on plan assets	0.01	(2.16)	(0.89)	(16.17)	-

The Company expects to contribute Rs. 240.00 to gratuity in next year (Previous year Rs. 61.85).

### 43 CSR expenditure

- (a) Gross amount required to be spent by the Company during the year 54.29
- (b) Amount spent during the year on other than construction of assets 56.43

- 44** During the previous year, the Company had paid Rs. 191.33 towards Directors remuneration. This amount is in excess of permissible remuneration determined under the Companies Act, 1956. Management has filed 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 Directors that they shall refund the amounts in the event of such approvals being refused.
- 45** The Company has been allotted a land at Chennai by State Industrial Promotion Corporation of Tamilnadu Limited (SIPCOT). As per the agreement with SIPCOT the Company was required to start production within 24 months of allotment. The said period expired in March 2014 and the Company applied for extension for such period upto December 31, 2014 which was approved by SIPCOT. The Company started construction of building and further requested for an extension, on which it is waiting for response from SIPCOT. The management on the basis of discussion, is confident that it shall be able to resolve the issue with SIPCOT amicably and no provision is required in this regard.
- 46** 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

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

Place: Gurgaon  
Date: May 19, 2015

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

**P.S. Jauhar**  
Director  
DIN : 00744518

**Praveen Lakhera**  
Company Secretary & Head Legal

**R.S. Jauhar**  
Director  
DIN : 00746186

**Vivek Bhatia**  
Chief Financial Officer

Place: New Delhi  
Date: May 19, 2015

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Jamna Auto Industries Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jamna Auto Industries Limited (hereinafter referred to as "the Holding Company") and its Limited Liability Partnership ('the Subsidiary') (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The management of the subsidiary included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order. Based on the auditor's report of the Subsidiary, the Order is not applicable to it.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information

and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. Based on the auditors' report of the subsidiary, this clause does not apply to the Subsidiary.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group. – Refer Note 27 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the subsidiary.

#### Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs. 7,984.51 as at March 31, 2015, and total revenues and net cash outflows of Rs. 34,613.53 and Rs. 131.43 for the year ended on that date, in respect of subsidiary, which has been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

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

ICAI Firm registration number: 301003E

Chartered Accountants

per **Vikas Mehra**

Partner

Membership No.: 94421

Place Gurgaon

Date: May 19, 2015

# 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 Holding Company has maintained 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 of the Holding Company during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noted during the year were material and these have been properly dealt with in the books of accounts.
- ii. a. The management of the Holding Company 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 Holding Company and the nature of its business.
- c. The Holding Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were material, and have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Holding Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii)(a) and (b) of the Order are not applicable to the Holding 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 Holding 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. The Holding Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of spring leafs and lift axle, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. The Holding Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, 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, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, 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 Holding Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

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 Customs Act, 1962	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
Madhya Pradesh Sales Tax Act 1958	Entry Tax	High Court, Gwalior	45.83	2006-2007



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	Assistant Commissioner Customs & Central Excise, Gwalior	20.63	2008-09 to 2009-10
Tamil Nadu Value Added Tax Act	CST	Sales Tax Appellate Tribunal, Chennai	8.01	2003-2004
The Central Excise Act, 1944	Excise Act	High Court, Gwalior	7.47	1997-1998
Jharkhand Value Added Tax Act	VAT	Commissioner (Appeal), Commercial Tax	21.39	2008-09
Finance act 1994, (Service tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Yamuna Nagar	13.87	2008-09 and 2011-12 to 2014-15
Finance Act 1994, (Service tax)	Service Tax	Commissioner Appeal, Delhi	3.17	2010-2011
Finance Act 1994, (Service tax)	Service Tax	Commissioner Appeal, Delhi	2.62	2005-2006 to 2009-2010
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Gwalior	7.46	2009-2010 to 2012-13
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	4.93	2006-2007
Finance Act 1994, (Service tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	0.57	2005-2006
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner, Central Excise, Gwalior	2.26	2009-2010 to 2011-2012
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner, Central Excise, Yamuna Nagar	8.80	1999-2000
Madhya Pradesh Sales Tax Act 1958	VAT	Commissioner, Commercial Tax, Gwalior	0.25	1999-2000
Finance Act 1994, (Service tax)	Service Tax	Deputy Commissioner, Central Excise, Chennai	1.92	2009-2010
Madhya Pradesh Sales Tax Act 1958	Corporation Tax	MP Commercial Tax Applet Board, Bhopal	0.65	1997-1998

- d. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Holding 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.
- ix. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company has not defaulted in repayment of dues to a financial institutions or banks. The Holding Company did not have any debentures during the year.
- x. According to the information and explanations given to us, the Holding 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.
- xi. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained by the Holding Company.
- xii. 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 Holding Company has been noticed or reported during the year.

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 19, 2015



# Consolidated Balance Sheet

as at March 31, 2015

(All amounts in Rupees Lacs, unless otherwise stated)

	Particulars	Note	As at March 31, 2015	As at March 31, 2014
I	<b>Equity and Liabilities</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	3	3,962.38	4,125.14
	(b) Reserves and surplus	4	15,679.98	14,035.39
			19,642.36	18,160.53
2	<b>Share application money pending allotment</b>	3(g)	0.27	0.27
	<b>Minority interest</b>		0.03	0.13
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	2,535.40	6,566.63
	(b) Deferred tax liabilities (net)	6	1,584.08	1,480.11
	(c) Other long-term liabilities	7	90.08	82.28
	(d) Long-term provisions	8	443.18	342.97
			4,652.74	8,471.99
4	<b>Current liabilities</b>			
	(a) Short-term borrowings	9	97.13	2,281.40
	(b) Trade payables	10	18,418.55	19,128.39
	(c) Other current liabilities	11	5,641.62	5,226.63
	(d) Short-term provisions	8	1,153.16	634.83
			25,310.46	27,271.25
	<b>TOTAL</b>		49,605.86	53,904.17
II	<b>Assets</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	12(a)	24,097.70	25,802.15
	(ii) Intangible assets	12(a)	97.33	133.01
	(iii) Capital work-in-progress		776.86	223.06
	(b) Long-term loans and advances	13	3,944.12	3,222.12
	(c) Other non-current assets	14	49.29	37.43
			28,965.30	29,417.77
2	<b>Current assets</b>			
	(a) Inventories	15	10,912.04	10,073.73
	(b) Trade receivables	16	5,637.34	10,835.80
	(c) Cash and bank balances	17	1,072.84	1,370.98
	(d) Short-term loans and advances	13	2,194.18	1,390.65
	(e) Other current assets	14	824.16	815.24
			20,640.56	24,486.40
	<b>TOTAL</b>		49,605.86	53,904.17

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**

Director

DIN : 00744518

**R.S. Jauhar**

Director

DIN : 00746186

**Praveen Lakhera**

Company Secretary & Head-Legal

**Vivek Bhatia**

Chief Financial Officer

Place: Gurgaon

Date: May 19, 2015

Place: New Delhi

Date: May 19, 2015

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2015

(All amounts in Rupees Lacs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
	<b>Income</b>			
I	Revenue from operations (gross)	18	<b>118,521.55</b>	89,383.11
	Less : excise duty		<b>9,020.77</b>	6,052.78
	Revenue from operations (net)		<b>109,500.78</b>	83,330.33
II	Other income	19	<b>200.54</b>	201.88
III	<b>Total revenue</b>		<b>109,701.32</b>	83,532.21
IV	<b>Expenses</b>			
	Cost of raw materials and components consumed	20	<b>74,504.92</b>	54,704.75
	(Increase)/ decrease in inventories of finished goods and work in progress	21	<b>(999.24)</b>	1,611.45
	Employee benefit expenses	22	<b>6,887.69</b>	5,981.61
	Other expenses	23	<b>19,657.93</b>	16,209.74
	<b>Total expenses</b>		<b>100,051.30</b>	78,507.55
V	<b>Profit before finance costs, depreciation/amortisation expense, prior period items, exceptional items and tax</b>		<b>9,650.02</b>	5,024.66
VI	Finance costs	24	<b>1,801.73</b>	2,407.05
VII	Depreciation and amortisation expense	25	<b>3,110.15</b>	2,590.90
VIII	<b>Profit before exceptional items, prior period items and tax</b>		<b>4,738.14</b>	26.71
	Exceptional items	26(a)	-	(1,755.74)
	Prior period items	26(b)	-	111.74
	<b>Profit before tax</b>		<b>4,738.14</b>	1,670.71
	<b>Tax expense</b>			
	Current tax		<b>1,023.91</b>	377.01
	Less : Minimum alternate tax credit entitlement		-	(58.45)
	Income tax adjustments (net)		<b>(1.39)</b>	1.30
	Minimum alternate tax entitlement utilised		<b>526.65</b>	70.60
	Deferred tax charge/ (credit) (including Rs. 127.60 (previous year: Rs. Nil) for earlier year)		<b>250.54</b>	(103.73)
	<b>Total tax expense</b>		<b>1,799.72</b>	286.73
	<b>Profit after tax (before adjustment for share of minority interest)</b>		<b>2,938.42</b>	1,383.98
	<b>Less: Share of minority in profits</b>		<b>0.03</b>	0.02
	<b>Profit for the year</b>		<b>2,938.39</b>	1,383.96
	<b>Earnings per equity share (par value Rs. 10 (absolute amount) per share)</b>	35		
	- Basic		<b>7.40</b>	3.41
	- Diluted		<b>7.34</b>	3.36
	[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

per **Vikas Mehra**

Partner

Membership No.: 94421

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Director

DIN : 00744518

**R.S. Jauhar**

Director

DIN : 00746186

**Praveen Lakhera**

Company Secretary & Head-Legal

**Vivek Bhatia**

Chief Financial Officer

Place: Gurgaon

Date: May 19, 2015

Place: New Delhi

Date: May 19, 2015

# Consolidated Cash Flow Statement

for the year ended March 31, 2015

(All amounts in Rupees Lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax but after prior period and exceptional items</b>	<b>4,738.14</b>	1,670.71
<b>Adjustments for:</b>		
Depreciation and amortisation expense	<b>3,110.15</b>	2,630.16
Loss on sale / discard of fixed assets	<b>5.66</b>	53.37
Interest expense	<b>1,039.36</b>	1,407.26
Interest income from fixed deposits	<b>(24.49)</b>	(60.04)
Provision for doubtful debts	<b>20.21</b>	21.54
Provision for doubtful advance	<b>8.15</b>	14.30
Bad debts written off	<b>5.49</b>	150.76
Sundry balance written off	<b>5.94</b>	72.93
Excess provision written back	<b>(3.09)</b>	(4.30)
Amortisation of ancillary cost of arranging the borrowings	<b>95.76</b>	120.31
Cash discount income	<b>(52.89)</b>	-
Cash discount expense	<b>278.24</b>	-
Profit on sale of investment	-	(2,025.01)
<b>Operating profit before working capital changes</b>	<b>9,226.63</b>	4,051.99
<b>Changes in operating assets and liabilities:</b>		
Increase/(decrease) in provisions	<b>92.87</b>	470.59
Increase/(decrease) in trade payables	<b>(653.86)</b>	(2,646.84)
Increase/(decrease) in other liabilities	<b>210.01</b>	712.08
Increase/(decrease) in security deposit	<b>7.80</b>	-
(Increase)/decrease in trade receivables	<b>4,894.52</b>	(322.44)
(Increase)/decrease in inventories	<b>(838.31)</b>	3,090.97
(Increase)/decrease in other assets	<b>(10.80)</b>	(709.92)
(Increase)/decrease in loans and advances	<b>(2,052.02)</b>	429.96
<b>Cash generated from operations</b>	<b>10,876.84</b>	5,076.39
Direct taxes (paid)	<b>(1,070.91)</b>	(603.20)
<b>Net cash generated from operations</b>	<b>9,805.93</b>	4,473.19
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	<b>(2,315.36)</b>	(670.06)
Proceeds from sale of fixed asset	<b>32.15</b>	79.53
Advance received against sale of property	<b>15.00</b>	-
Proceeds from sale of investments	-	2,550.00
Movement in fixed deposits	<b>41.69</b>	392.82
Interest received	<b>19.05</b>	70.27
<b>Net cash from/(used in) investing activities</b>	<b>(2,207.47)</b>	2,422.56

<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share (including share premium)	<b>65.43</b>	2.30
Redemption of preference shares	<b>(175.00)</b>	(175.00)
Dividend paid (including dividend distribution tax Rs. 72.72 (previous year Rs. 141.69))	<b>(466.36)</b>	(958.79)
Proceeds from long term borrowings	<b>300.00</b>	6,893.43
Repayment of long term borrowings	<b>(3,856.29)</b>	(5,206.51)
Procees from / (Repayment) of short term borrowings (net)	<b>(2,544.38)</b>	(5,777.96)
Payments towards ancillary cost for arranging the borrowings	<b>(88.66)</b>	2.01
Interest paid	<b>(989.06)</b>	(1,342.07)
Payment of ancillary cost of arranging the borrowings	<b>(88.66)</b>	(78.87)
<b>Net cash from/ (used in) financing activities</b>	<b>(7,842.98)</b>	(6,641.46)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(244.52)</b>	254.29
<b>Opening cash and cash equivalents</b>	<b>1,109.07</b>	854.78
<b>Closing cash and cash equivalents</b>	<b>864.55</b>	1,109.07
<b>Cash and cash equivalent comprises of:</b>		
Cash in hand	<b>5.82</b>	6.18
Balances with scheduled banks		
- On current account	<b>750.85</b>	1,029.22
- Unpaid dividend account*	<b>107.88</b>	73.67
<b>Total cash and cash equivalents (Refer note 17)</b>	<b>864.55</b>	1,109.07

**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 notified under section 133 of the Act read with Rule 7 of the Companies (Accounts) rules 2014.

\* 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**  
Director  
DIN : 00744518

**R.S. Jauhar**  
Director  
DIN : 00746186

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

**Vivek Bhatia**  
Chief Financial Officer

Place: Gurgaon  
Date: May 19, 2015

Place: New Delhi  
Date: May 19, 2015

# Notes to consolidated financial statements

for the year ended March 31, 2015

(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' or 'the LLP') which is incorporated in India.

## 2 Basis of preparation

The consolidated financial statements relate to the Company and the LLP, (collectively referred to 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 notified by section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared there financial statements to comply in all material aspect of the Accounting Standard (AS) notified by Section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policy explained below. The financial statements have been prepared on an accrual basis and under historical cost convention.

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.

### 2.1 Summary of significant accounting policies

#### a) Change in accounting policy

##### Depreciation on fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful

life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets and accordingly as per the transitional provision given in Schedule II of the Companies Act 2013, an amount of Rs.284.62 (Net of tax impact of Rs.146.54) has been adjusted with opening reserve and surplus. Further, had the Company continued using earlier estimated useful life and residual value, current year profits before tax would have been higher by Rs. 327.36. The management believes that new depreciation rates reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

#### b) 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.

#### c) 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 year 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.

#### **d) 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. The Company has used following estimated useful life to provide depreciation on its fixed assets.

Particulars	Estimated useful life
Factory building	30
Other buildings	60
Plant and Machinery <sup>1</sup>	15-20
Furniture and fixtures <sup>2</sup>	4
Vehicles <sup>2</sup>	4
Office equipments <sup>2</sup>	3
Computers <sup>2</sup>	3

- (1) The management has estimated, supported by independent assessment, the useful life of certain plant and machinery as 20 years, which is higher than those indicated in schedule II of the Companies Act 2013.
- (2) The management has estimated, based on past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

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

Residual value of fixed assets is considered at 5%

#### **e) Intangible 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. Intangible assets are amortised over the following estimated useful life:

Software: 5 years  
Copyrights: 5 years

#### **f) 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.

#### **g) 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.

#### **h) 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.



#### **i) 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.

#### **j) 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.

#### **k) 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.

#### **l) Foreign exchange transactions**

##### **(1) 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.

##### **(2) 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.

##### **(3) 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.

#### **m) Employee benefits**

(1) 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.

(2) The Group operates two defined benefit plan for its employees i.e. gratuity and long service award. The cost of providing benefits under these plans 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.

(3) Accumulated leaves, which are 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 Group 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.



## **n) 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.

## **o) 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 (Share based employee benefits) Regulations, 2014 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. 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.

## **p) 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.

#### **q) 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.

#### **r) 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.

#### **s) 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.

#### **t) 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.

#### **u) Measurement of EBITDA**

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.

#### **v) Derivative instruments and hedge accounting**

The Group uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made. It also uses interest rate swaps to hedge interest risk arising from variable rate loans. Derivative contracts, other than foreign currency forward contracts covered under AS11, are marked to market and the net loss, after considering the offsetting effect of gain on underlying hedged item, if any, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on underlying hedged items is ignored."

# Notes to the consolidated financial statements

for the year ended March 31, 2015

(All amounts in Rupees Lacs, unless otherwise stated)

## 3 Share capital

	As at March 31, 2015	As at March 31, 2014
<b>Authorised share capital (amount per share in absolute rupees)</b>		
63,886,500 (Previous year 63,886,500) equity shares of Rs. 10 each	<b>6,388.65</b>	6,388.65
350,000 (Previous year 350,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	<b>350.00</b>	350.00
<b>Total</b>	<b>6,738.65</b>	6,738.65
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>		
Subscribed and fully paid (39,608,395 (Previous year 39,485,969) equity shares of Rs. 10 each)	<b>3,960.84</b>	3,948.60
Subscribed but not fully paid (30,645 (Previous year 30,645) equity shares of Rs. 10 each, amount called up Rs. 10 each)	<b>3.06</b>	3.06
Less: Call in arrears (Held by other than Directors)	<b>(1.52)</b>	(1.52)
<b>Issued, subscribed and fully paid up preference shares (amount per share in absolute rupees)</b>		
12.5% Optionally Convertible Cumulative Preference Shares (Nil preference shares of Rs. 100 each, (previous year 175,000 preference shares of Rs. 100 each))	-	175.00
<b>Total</b>	<b>3,962.38</b>	4,125.14

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

Equity Shares	March 31, 2015		March 31, 2014	
Equity Share - Subscribed and fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	<b>39,485,969</b>	<b>3,948.60</b>	39,482,219	3,948.22
Add : Fresh allotment of share (under ESOP scheme) (refer note 38)	<b>122,426</b>	<b>12.24</b>	3,750	0.38
At the end of the year	<b>39,608,395</b>	<b>3,960.84</b>	39,485,969	3,948.60
<b>Equity Share - Subscribed but not fully paid up</b>				
At the beginning and end of the year	<b>30,645</b>	<b>3.06</b>	30,645	3.06
<b>Preference Shares</b>				
At the beginning of the year	<b>175,000</b>	<b>175.00</b>	350,000	350.00
Less : Redemption during the year	<b>175,000</b>	<b>175.00</b>	175,000	175.00
At the end of the year	-	-	175,000	175.00

### 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, 2015, the Company has proposed dividend of Rs. 2.20 (absolute amount) (previous year Rs. 1 (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 previous year on October 1, 2013 and second instalment was redeemed on October 1, 2014. The preference shares holders are not entitled to any voting rights.

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

	March 31, 2015		March 31, 2014	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>Equity Shares of Rs. 10 each fully paid</b>				
Clearwater Capital Partners Cyprus Limited	9,614,147	24.25%	9,614,147	24.33%
MAP Auto Limited	11,773,899	29.70%	11,773,899	29.79%
NHK Springs Co. Limited, Japan	2,308,509	5.82%	2,308,509	5.84%
<b>Preference Shares of Rs. 100 each fully paid</b>				
IFCI Limited	-	-	175,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**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, 2015, an employee stock option scheme was in existence and 307,813 stock options (Previous year: 324,785) can be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 38 on ESOP.

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

	March 31, 2015		March 31, 2014	
	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 (Previous year of 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

**g. Share application money pending allotment**

	March 31, 2015		March 31, 2014	
	No of shares	Amount	No of shares	Amount
Shares proposed to be issued	500	-	500	-
Fully paid up value of shares		0.05	-	0.05
Premium on shares proposed to be issued		0.22	-	0.22
		0.27	-	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 March 3, 2015 and the corresponding shares will be allotted in the next compensation committee meeting.

## 4 Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital reserve</b> (refer note (a) below)	<b>315.71</b>	315.71
<b>Capital redemption reserve</b>		
Balance as per the last financial statements	<b>225.00</b>	50.00
Transferred from general reserve during the year	<b>175.00</b>	175.00
<b>Closing balance</b>	<b>400.00</b>	225.00
<b>Securities premium account</b>		
Balance as per the last financial statements	<b>14,970.76</b>	14,969.10
Add : Premium on issue of shares	<b>53.19</b>	1.65
<b>Closing balance</b>	<b>15,023.95</b>	14,970.75
<b>Amalgamation reserve</b>	<b>1,481.46</b>	1,481.46
<b>General reserve</b>		
Balance as per the last financial statements	<b>4,252.62</b>	4,427.61
Less : Amount transferred to Capital Redemption reserve <sup>^</sup>	<b>(175.00)</b>	(175.00)
<b>Closing balance</b>	<b>4,077.62</b>	4,252.61
<b>Deficit in the Statement of profit and loss</b>		
Balance as per the last financial statements	<b>(7,210.14)</b>	(8,093.53)
Less : Adjustment of opening depreciation as per the Companies Act 2013 (net off tax impact of Rs. 146.54)	<b>(284.62)</b>	-
Add: Profit for the year	<b>2,938.39</b>	1,383.96
Proposed equity dividend (refer note (c) below)	<b>871.73</b>	395.04
Proposed preference dividend (refer note (b) below)	<b>10.97</b>	32.81
Tax on equity dividend	<b>177.46</b>	67.14
Tax on preference dividend	<b>2.23</b>	5.58
<b>Net surplus/(deficit) in the Statement of profit and loss</b>	<b>(5,618.76)</b>	(7,210.14)
<b>Total reserves and surplus</b>	<b>15,679.98</b>	14,035.39

- (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. 10.97 relating to the year ended March 31, 2015 (Previous year: Rs. 32.81). The same is subject to approval of shareholders.
- (c) The Company has declared a final dividend of Rs. 2.20 (absolute amount) (previous year Re. 1 (absolute amount)) per equity share for the year, subject to the approval of shareholders.
- <sup>^</sup> Represents reserves created on account redemption of Preference shares during the year.

## 5 Long-term borrowings

	Non-current		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Secured loans</b>				
Term loans from banks				
- Indian rupee loan	<b>1,600.00</b>	<b>5,734.07</b>	<b>2,910.00</b>	3,152.43
- Foreign currency loan	<b>621.76</b>	-	<b>621.76</b>	-
Vehicle loans				
-From banks	<b>10.93</b>	<b>41.80</b>	<b>25.77</b>	35.34
-From others	<b>141.02</b>	<b>49.55</b>	<b>58.73</b>	56.52
<b>Total (A)</b>	<b>2,373.71</b>	<b>5,825.42</b>	<b>3,616.26</b>	3,244.29
<b>Unsecured loans</b>				
Term loan from other than bank	-	<b>393.43</b>	-	-
Deferred sales tax loan	<b>161.69</b>	<b>347.78</b>	<b>178.73</b>	435.89
<b>Total (B)</b>	<b>161.69</b>	<b>741.21</b>	<b>178.73</b>	435.89
<b>Total</b>	<b>2,535.40</b>	<b>6,566.63</b>	<b>3,794.99</b>	3,680.18
Less: Amount disclosed under the head "other current liabilities" (note 11)	-	-	<b>3,794.99</b>	3,680.18
<b>Net amount</b>	<b>2,535.40</b>	<b>6,566.63</b>	-	-
<b>The above amount includes</b>				
Secured borrowings	<b>2,373.71</b>	<b>5,825.42</b>	<b>3,616.26</b>	3,244.29
Unsecured borrowings	<b>161.69</b>	<b>741.21</b>	<b>178.73</b>	435.89

(All Amounts in Lacs)

#	Security terms	Repayment terms and rate of interest
<b>(A)</b>	<b>ICICI Bank Ltd (Rs. 237.78 (previous year Rs. 713.32))</b>	
	<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 &amp; Executive Director and Mr. P. S. Jauhar, COO &amp; Executive Director.</p>	<p>Terms of repayment:</p> <p>16 equal quarterly instalments of Rs. 56.25 each commencing from October, 2011, i.e. 12 months from the date of first disbursement, 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:</p> <p>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. During the year, rate of interest varied from 13.50% to 14.30% (previous year 14.00% to 14.50%)</p>

<b>(B)</b>	<b>State Bank of India (Rs. Nil (previous year Rs. 1,317.62))</b>	
	<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 &amp; Executive Director and Mr. P. S. Jauhar, COO &amp; Executive Director.</p> <p>(e) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Capex term loan from State Bank of India Terms of repayment: 16 equal quarterly instalments of Rs 187.50 commencing from October 2011, i.e., from the end of moratorium period .</p> <p>This loan has been prepaid during the year.</p> <p>Rate of interest: 5.25% above the base rate. During the year, interest rate was 14.35% (previous year 13.30% to 14.35%)</p> <p>Working capital term loan from State Bank of India Terms of repayment: 8 quarterly instalments of Rs. 250.00 lakhs and two equal instalments of 500.00 lakhs each commencing from April, 2012.</p> <p>Rate of interest: 4% above the base rate. During the year, the interest rate was 15.00% (previous year 13.95% to 15.00%)</p>
<b>(C)</b>	<b>Kotak Mahindra Bank (Rs. 222.22 (previous year Rs. 555.56))</b>	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant .</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant .</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p>	<p>Terms of repayment: 36 equal monthly instalments of Rs. 27.78 each starting from December 2012 , i.e. the end of 1st month of first disbursement of term loan .</p> <p>Rate of interest: During the year, interest rate was 12.50% (previous year 12.5%)</p>



<b>(D)</b>	<b>Kotak Mahindra Bank (Rs. 1,000.00 (previous year Rs. 1,800.00))</b>	
	<p>(a) First pari passu charge on the movable assets (other than current assets) of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(b) First pari passu mortgage charge of immovable assets of the Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company.</p> <p>(c) Second pari passu charge on the movable assets (other than current assets) of the Chennai plant .</p> <p>(d) Second pari passu mortgage charge of immovable assets of Chennai plant.</p> <p>(e) Second pari passu on the entire current assets</p> <p>(f) Personal Guarantees of Mr. P. S. Jauhar, COO &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs. 66.67 each starting from December 2013, i.e. the end of 6 months from disbursement of term loan .</p> <p>Rate of interest: During the year, the interest rate was 12.5% (previous year 12.5%)</p>
<b>(E)</b>	<b>Kotak Mahindra Bank (Rs. 1,243.52 (previous year Rs. 1,500.00))</b>	
	<p>(a) Exclusive mortgage charge on the Hosur plant.</p> <p>(b) Personal Guarantees of Mr. P. S. Jauhar, COO &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p> <p>During the year, this loan was converted into Foreign Currency loan from Indian Rupee loan .</p>	<p>Terms of repayment: 30 equal monthly instalments of Rs 51.81 (previous year Rs. 50) each starting from October , 2014, i.e. the end of 6 months from disbursement of term loan.</p> <p>Rate of interest: During the year, the interest rate ranged from 12.5 % to 6 months LIBOR+4.25%. (previous year 12.5%.)</p>
<b>(F)</b>	<b>SBER Bank (Rs. 1,750.00 (previous year Rs. 2,000.00))</b>	
	<p>(a) First pari passu charge on the movable and immovable fixed assets of Malanpur, Jamshedpur and Yamuna Nagar Plants of the Company 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>(d) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs. 250.00 each starting from February, 2015, i.e. the end of 15th month from disbursement of term loan.</p> <p>Rate of interest: During the year, the interest rate was 13.50% (previous year 13.50%)</p>

<b>(G)</b>	<b>HDFC Bank (Rs. 1,300.00 (previous year Rs. 1,000.00))</b>	
	<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 &amp; Executive Director and Mr. R. S. Jauhar, CEO &amp; Executive Director.</p> <p>(d) Corporate guarantee of Jai Suspensions Systems LLP.</p>	<p>Terms of repayment: 8 quarterly instalments of Rs. 162.50 each starting from June, 2015, i.e. after 14 months from first disbursement of term loan.</p> <p>Rate of interest: During the year, the rate of interest is 11.95% (previous year 11.95 %)</p>
<b>(H)</b>	<b>Vehicle loan (Rs.236.45 (previous year Rs. 183.21))</b>	
	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 9.50 % to 12.50 %	
<b>(I)</b>	<b>Deferred sales tax loan (Rs.340.42 (previous year Rs. 783.67))</b>	
	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.	

## 6 Deferred tax liabilities (net)

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Deferred tax liability</b>		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	<b>1,771.70</b>	2,034.71
<b>Less : Deferred tax assets</b>		
Brought forward losses as per tax laws	-	378.89
Provision for bad and doubtful debts	<b>10.89</b>	10.69
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>176.73</b>	165.02
<b>Total deferred tax asset</b>	<b>187.62</b>	554.60
<b>Deferred tax liability (net)</b>	<b>1,584.08</b>	1,480.11

## 7 Other Long term liabilities

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Security deposits	<b>90.08</b>	82.28
<b>Total</b>	<b>90.08</b>	82.28

## 8 Provisions

Provisions	Long - term		Short - term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Provision for employees benefits</b>				
Provision for leave encashment	192.44	167.59	35.63	54.08
Provision for long service award	22.30	-	7.85	-
Provision for gratuity (Refer note no. 41)	228.44	175.38	19.44	16.18
<b>Total</b>	<b>443.18</b>	342.97	<b>62.92</b>	70.26
<b>Other provisions</b>				
Provision for proposed equity dividend	-	-	871.73	395.04
Provision for proposed preference dividend	-	-	10.94	32.81
Tax on proposed equity dividend	-	-	177.46	67.14
Tax on proposed preference dividend	-	-	2.23	5.58
Provision for tax	-	-	27.88	64.00
	-	-	1,090.24	564.57
<b>Total</b>	<b>443.18</b>	342.97	<b>1,153.16</b>	634.83

## 9 Short-term borrowings

	As at March 31, 2015	As at March 31, 2014
Buyer's credit from bank #	97.13	825.09
Cash credit	-	488.55
Bill discounting facility from banks ^	-	727.76
Purchase order finance facility from banks ^	-	240.00
<b>Total</b>	<b>97.13</b>	2,281.40
<b>Above amount includes</b>		
Secured borrowings #	97.13	1,553.64
Unsecured borrowings	-	727.76
	<b>97.13</b>	2,281.40

# The Company has a facility for short term borrowings from a consortium of State Bank of India, ICICI Bank, Kotak Mahindra Bank, Standard Chartered Bank, Lakshmi Vilas Bank, HDFC Bank, Axis Bank and Yes Bank. The balance outstanding as at the year end carries interest of 2.16% (previous year 1.02% to 1.35%) and is secured by:

- First pari passu charge on the entire current assets of the Company both present and future.
- Second pari passu charge over fixed assets of the Company both present and future.
- Personal guarantees of Mr R. S. Jauhar, CEO & Executive Director and Mr P. S. Jauhar, COO & Executive Director.
- Pledge of 15 lakhs shares of the Company held by Promoters of the Company.

^ The subsidiary has a facility for short term borrowing from Kotak Mahindra Bank, which carries interest of 11.15% to 12.15% (previous year 11.90% to 13%) and is secured by :

- first pari passu charge on current assets and movable assets of the subsidiary and
- personal guarantees of Mr R. S. Jauhar, CEO & Executive Director and Mr P. S. Jauhar, COO & Executive Director.

## 10 Trade payables

	As at March 31, 2015	As at March 31, 2014
Trade payables (including acceptances* Rs. 12,784.14 (previous year Rs. 14,624.71)) (refer note a below)	18,418.55	19,128.39
	18,418.55	19,128.39

\* The acceptances are secured under short term borrowings facility from banks. Refer note 9 for details of securities.

## 11 Others current liabilities

	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowing (Refer note 5)	3,794.99	3,680.18
Provision for mark to market forward exchange contracts	53.24	-
Interest accrued but not due on borrowings	16.65	55.01
Investor education and protection fund will be credited by following amounts (as and when due)		
- Unpaid dividends	107.88	73.67
<b>Other payables for purchase of</b>		
Creditors for purchase of fixed assets (Refer note (a) below)	178.94	99.64
<b>Statutory dues payable</b>		
Service tax payable	11.06	3.63
Sales tax payable	321.26	241.64
Work contract tax payable	1.43	-
TDS payable	95.16	72.77
PF and ESI payable	49.68	44.42
Advance against sale of property (refer note 46)	780.00	765.00
Other payable	231.33	190.67
<b>Total</b>	<b>5,641.62</b>	<b>5,226.63</b>
<b>Grand total</b>	<b>24,060.17</b>	<b>24,355.02</b>

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

Based on the information presently available with the Group, 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, 2015

Particulars	Gross Block			Accumulated depreciation			Net block		
	As at April 1, 2014	Additions during the year	Sale/ adjustment during the year	As at March 31, 2015	As at April 1, 2014	Depreciation / amortisation charged for the year*	Deduction	As at March 31, 2015	As at March 31, 2014
Tangible fixed assets									
Freehold land (refer note 45)	2,771.28	626.98	-	3,398.26	-	-	-	3,398.26	2,771.28
Leasehold land	1,041.88	-	-	1,041.88	49.30	14.87	-	977.71	992.58
Factory building	5,785.30	294.07	-	6,079.37	1,404.85	517.06	-	4,157.46	4,380.45
Office building	62.47	-	-	62.47	4.86	57.61	-	62.47	57.61
Plant and machinery	30,468.42	579.10	613.25	30,434.27	13,768.08	2,329.84	601.74	15,496.18	16,700.34
Furniture and fixtures	187.07	7.79	1.63	193.23	88.88	95.56	1.16	183.28	98.19
Vehicles	755.26	203.11	41.57	916.80	227.59	228.90	18.64	437.85	527.67
Office equipment	299.21	32.53	12.76	318.98	154.49	135.89	10.22	280.16	144.72
Computer hardware	457.52	32.95	16.25	474.22	328.21	63.44	15.89	375.76	129.31
Total	41,828.41	1,776.53	685.46	42,919.48	16,026.26	3,443.17	647.65	24,097.70	25,802.15
Intangible assets									
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-
Computer software	459.24	62.46	-	521.70	326.23	98.14	-	97.33	133.01
Copyrights	3,497.58	-	-	3,497.58	3,497.58	-	-	3,497.58	-
Total	4,877.84	62.46	-	4,940.30	4,744.83	98.14	-	97.33	133.01
Grand Total	46,706.25	1,838.99	685.46	47,859.78	20,771.09	3,541.31	647.65	24,195.03	25,935.16

\*Refer note 2.1(a)

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	Deduction	As at March 31, 2014	As at March 31, 2013
<b>Tangible fixed assets</b>									
Freehold land (refer note 45)	2,771.28	-	-	2,771.28	-	-	-	2,771.28	2,771.28
Leasehold land	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	5,785.30	1,220.41	184.44	-	4,380.45	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
<b>Total</b>	<b>41,493.69</b>	<b>2,112.05</b>	<b>1,777.33</b>	<b>41,828.41</b>	<b>15,414.45</b>	<b>2,256.35</b>	<b>1,644.54</b>	<b>25,802.15</b>	<b>26,079.25</b>
<b>Intangible assets</b>									
Goodwill	921.02	-	-	921.02	921.02	-	-	921.02	-
Computer software	412.83	46.77	0.36	459.24	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
<b>Total</b>	<b>4,831.43</b>	<b>46.77</b>	<b>0.36</b>	<b>4,877.84</b>	<b>4,371.26</b>	<b>373.82</b>	<b>0.25</b>	<b>4,744.83</b>	<b>460.17</b>
<b>Grand Total</b>	<b>46,325.12</b>	<b>2,158.82</b>	<b>1,777.69</b>	<b>46,706.25</b>	<b>19,785.71</b>	<b>2,630.17</b>	<b>1,644.79</b>	<b>25,935.16</b>	<b>26,539.42</b>

## 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, 2015	For the year ended March 31, 2014
Salary, wages and bonus	85.46	-
Consumption of stores and consumables	73.14	170.78
Others expenses	15.72	31.72
<b>Total</b>	<b>174.32</b>	<b>202.50</b>

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

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital advances				
Unsecured considered good	126.65	124.78	-	-
Unsecured considered doubtful	5.61	5.61	-	-
	132.26	130.39	-	-
Less: Provision for doubtful advances	(5.61)	(5.61)	-	-
<b>Total</b>	<b>126.65</b>	<b>124.78</b>	<b>-</b>	<b>-</b>
Security deposits - considered good	351.35	350.87	23.23	14.21
- considered doubtful	1.10	-	-	-
	352.45	350.87	23.23	14.21
Less: Provision for doubtful advances	(1.10)	-	-	-
<b>Total</b>	<b>351.35</b>	<b>350.87</b>	<b>23.23</b>	<b>14.21</b>
<b>Advances recoverable in cash or in kind</b>				
Advance to suppliers - considered good	-	-	1,333.34	187.01
- considered doubtful	50.37	41.52	-	-
Advance income tax (net)	310.96	299.76	140.59	140.28
Minimum alternate tax credit entitlement	1,685.83	2,211.10	-	-
Prepaid expenses	1.18	0.02	85.57	95.05
Advance to employees - considered good	-	-	62.62	50.68
- considered doubtful	2.86	-	-	-
Balance with sales tax authorities	1,444.22	225.91	66.22	455.56
Balance with excise and custom authorities	-	-	461.11	372.49
Duty paid under protest	23.64	9.38	-	6.79
Other recoverable in cash or kind	0.29	0.30	21.50	68.58
	3,519.35	2,787.99	2,170.95	1,376.44
Less :- Provision for doubtful advances	(53.23)	(41.52)	-	-
<b>Total</b>	<b>3,466.12</b>	<b>2,746.47</b>	<b>2,170.95</b>	<b>1,376.44</b>
<b>Grand Total</b>	<b>3,944.12</b>	<b>3,222.12</b>	<b>2,194.18</b>	<b>1,390.65</b>

### 14 Other assets

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Non current bank balances (note 17)	30.44	18.51	-	-
Asset held for sale (refer note 46)	-	-	780.00	765.00
<b>Unamortised expenditure</b>				
Ancillary cost of arranging the borrowings	8.39	13.61	43.18	45.06
Interest accrued on fixed deposits	10.46	5.31	0.29	-
DEPB receivable	-	-	-	5.18
Unbilled revenue	-	-	0.69	-
<b>Total</b>	<b>49.29</b>	<b>37.43</b>	<b>824.16</b>	<b>815.24</b>



## 15 Inventories

	As at March 31, 2015	As at March 31, 2014
Raw material [includes goods in transit: Rs. 978.56 (previous year: Rs. 918.81)]	2,285.55	2,333.92
Components	615.18	652.72
Work-in-progress	1,552.45	2,641.41
Finished goods [includes goods in transit Rs. 1973.93 (Previous year: 954.33)]	5,831.78	3,773.20
Stores and spares	553.72	628.74
Scrap	73.36	43.74
<b>Total</b>	<b>10,912.04</b>	<b>10,073.73</b>

## 16 Trade receivables (considered good, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good	33.47	23.32
Unsecured, considered doubtful	51.67	38.95
	85.14	62.27
- Other receivables	5,603.87	10,812.48
<b>Total</b>	<b>5,689.01</b>	<b>10,874.75</b>
Less: Provision for doubtful debts	(51.67)	(38.95)
<b>Total</b>	<b>5,637.34</b>	<b>10,835.80</b>

## 17 Cash and bank balances

Cash and bank balances	Non current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents</b>				
Balance with banks				
On current account	-	-	750.85	1,029.22
On unpaid dividend account	-	-	107.88	73.67
Cash on hand	-	-	5.82	6.18
	-	-	864.55	1,109.07
<b>Other bank balances</b>				
Deposits with bank with more than 12 months #	13.33	1.14	26.86	7.77
Deposits with bank with more than 3 months and less than 12 months *	-	-	179.22	254.14
Margin money deposits	17.11	17.37	2.21	-
<b>Total</b>	<b>30.44</b>	<b>18.51</b>	<b>208.29</b>	<b>261.91</b>
Amount disclosed under non current assets (note 14)	(30.44)	(18.51)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,072.84</b>	<b>1,370.98</b>

\* Includes fixed deposit kept as margin money Rs. 179.22 (previous year Rs. 254.14)

# Includes fixed deposit kept as margin money Rs. 40.19 (previous year Rs. 8.91)

## 18 Revenue from operations

	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products - finished goods	116,099.56	87,500.96
Sale of services	-	11.51
<b>Other operating revenue</b>		
- Scrap sale	2,421.99	1,870.64
<b>Revenue from operations (gross)</b>	<b>118,521.55</b>	89,383.11
Less : Excise duty*	9,020.77	6,052.78
<b>Revenue from operations (net)</b>	<b>109,500.78</b>	83,330.33
*Excise duty on sales amounting to Rs. 9,020.77 (previous year Rs. 6,052.78) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease in stock amounting to Rs. 239.24 (Previous year Rs. 2.84) has been considered as expense in note 23 of financial statements.		
<b>Details of product sold</b>		
Leaf springs	87,686.09	65,371.13
Loose leaves	23,199.10	20,316.39
Lift axle	5,145.05	1,813.44
Lift axle components	69.32	-
	116,099.56	87,500.96
<b>Details of services rendered</b>		
Job work	-	11.51

## 19 Other income

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income		
- From banks	24.49	53.59
- From others	7.68	21.50
Excess provision written back	3.09	4.37
Duty drawback / DEPB income	17.19	14.04
Cash discount	52.89	-
Miscellaneous income	95.20	108.38
	200.54	201.88

## 20 Raw Material and Components Consumed

	For the year ended March 31, 2015	For the year ended March 31, 2014
Inventory at the beginning of the year	2,986.64	4,247.43
Add : Purchases during the year	74,419.01	53,443.96
<b>Total</b>	<b>77,405.65</b>	57,691.39
Less : Inventory at the end of the year	2,900.73	2,986.64
<b>Cost of materials consumed</b>	<b>74,504.92</b>	54,704.75
<b>Details of Raw material and components consumed</b>		
Steel flats	67,276.36	49,993.69
Bushes	2,183.04	1,707.91
Clamp and others	5,045.52	3,003.15
	74,504.92	54,704.75
<b>Details of inventory</b>		
<b>Raw material and components</b>		
Steel flats	2,285.55	2,333.92
Bushes	131.12	123.42
Clamp and others	484.06	529.30
	2,900.73	2,986.64

## 21 Changes in inventory of finished goods and work in progress and scrap

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Inventories at the end of year</b>		
- Finished goods	5,831.78	3,773.20
- Work in progress	1,552.45	2,641.41
- Scrap	73.36	43.74
<b>Total</b>	<b>7,457.59</b>	<b>6,458.35</b>
<b>Inventories at the beginning of year</b>		
- Finished goods	3,773.20	1,915.06
- Work in progress	2,641.41	6,124.48
- Scrap	43.74	30.26
<b>Total</b>	<b>6,458.35</b>	<b>8,069.80</b>
<b>Decrease/ (increase) in inventory#</b>	<b>(999.24)</b>	<b>1,611.45</b>
# Includes WIP amounting to Rs. 571.29 written off during the year.		
<b>Detail of inventory</b>		
<b>Finished goods</b>		
Leaf springs	4,173.76	1,946.07
Loose leaves	1,649.98	1,812.87
Lift axle	8.04	14.26
	5,831.78	3,773.20
<b>Work-in-progress</b>		
Leaf springs	424.04	542.20
Loose leaves	1,063.63	2,047.27
Lift axle	64.78	51.94
	1,552.45	2,641.41

## 22 Employee benefits expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, wages and bonus	6,121.58	5,441.01
Gratuity expense (refer note 42)	65.44	24.86
Contribution to provident and other funds	273.38	282.43
Staff welfare expenses	427.29	233.31
<b>Total</b>	<b>6,887.69</b>	<b>5,981.61</b>

## 23 Other expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
Consumption of stores and spare parts	3,577.56	2,593.14
Power and fuel	8,052.76	6,790.08
Job charges	1,223.35	844.71
Increase in excise on finished goods	239.24	2.84
Rent (Refer note 36)	256.11	291.80
Repair and maintenance		
- buildings	128.63	75.64
- plant and machinery	323.74	268.14
- others	166.25	148.60
Rates and taxes	165.81	71.08
Travelling and conveyance	740.99	512.88
Legal and professional	444.72	459.48
Payment made to auditors (Refer note 33)	49.29	41.63
Loss on sale / discard of fixed assets (net)	5.66	53.32
Sundry balances written off	5.94	72.93
Provision for doubtful advances	8.15	14.30
Provision for doubtful debts	20.21	21.54
Bad debts written off	5.49	150.76
Freight, forwarding and packing	2,376.34	1,750.55
Sales promotion and advertisement	568.02	445.37
Selling expenses	502.53	931.27
Commission on sales	24.27	-
Security charges	66.27	20.51
CSR expenses (refer note 42)	56.43	9.45
Donation	1.43	6.94
Royalty	149.97	58.15
Exchange fluctuation loss	85.53	200.57
Director sitting fees	4.00	4.10
Insurance	55.66	46.87
SAP expenses	41.26	43.82
Printing stationery and communication	134.74	126.94
Miscellaneous expenses	177.58	152.33
<b>Total</b>	<b>19,657.93</b>	<b>16,209.74</b>

## 24 Finance costs

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest to banks	1,029.21	1,357.58
Interest to others	10.15	49.68
Amortisation of ancillary borrowing costs	95.76	120.31
Cash discount	278.24	-
Bank charges	388.37	879.48
<b>Total</b>	<b>1,801.73</b>	<b>2,407.05</b>

## 25 Depreciation and amortisation expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
Depreciation on tangible assets	3,012.51	2,219.40
Amortisation on intangible assets	97.64	371.50
<b>Total</b>	<b>3,110.15</b>	<b>2,590.90</b>

## 26(a) Exceptional items

	For the year ended March 31, 2015	For the year ended March 31, 2014
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 **	-	230.01
	-	(1,755.74)

\*Represents profit on sale of 5,249,920 shares in NHK Spring India Limited at an agreed price of Rs. 2,550.

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

## 26(b) Prior period expenditure

	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw material consumed	-	61.42
Freight	-	22.11
Rates and taxes	-	16.50
Miscellaneous expenses	-	11.71
	-	111.74

## 27 Contingent liability

		As at 31 March 2015	As at 31 March 2014
i.	Income tax	1,305.00	954.85
ii.	Claims against company not acknowledged as debts	294.09	385.49
iii.	Custom and Excise duty / Service tax	59.90	55.57
iv.	Sales tax	86.10	6.37
v.	Guarantee given by Company	5,000.00	5,000.00
vi.	Bank Guarantee	286.52	42.81
		7,031.61	6,445.09

### In relation to i above income tax matters contested by the Group comprise of:

- 1) With respect to assessment year 2010-11 to 2012-13, the assessing officer has added to the income of the Company, a notional interest amounting to Rs 32.40 on certain interest free advances given by the Company. The tax impact of the same is Rs 11.01 (Previous year: Rs. Nil). The Company has preferred appeal with CIT (A) and based on internal assessment, the Company is confident of a favourable outcome.
- 2) With respect to assessment year 2008-09 to 2012-13 the assessing officer has disallowed certain expenses amounting to Rs. 143.74 on adhoc basis. Tax impact of the same is Rs. 48.85 (Previous year: 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 outcome.
- 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 (Previous year: 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 outcome.

- 4) During the year, the Company received an assessment order with respect to assessment year 2012-13. The assessing officer has increased the taxable income of the Company by Rs 1,095.73 contending that it has sold material of its subsidiary firm (Jai Suspension System LLP (JSSLLP) at lower margin in order to divert its profits to JSSLLP as JSSLLP was enjoying tax exemption during that year. Tax impact of the same is Rs. 372.46 (Previous year: Rs. Nil). The Company is in process of filing an appeal against this order and based on discussion with the legal counsel is confident of a favourable outcome.
- 5) With respect to the assessment year 2010-11, the assessing officer has increased the taxable income of the Company by Rs 6.62 contending that it has disclosed lower scrap sales during that year. Tax impact of the same is Rs 2.25 (Previous year: Rs. 7.07). The Company, based on internal assessment and discussion with its legal counsel is confident of a favourable outcome.
- 6) With respect to the assessment years 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. The matter has been settled during the year. Tax impact of the same is Rs. Nil (Previous year: Rs. 31.47).
- 7) With respect to the assessment years 2008-09 the assessing office has disallowed certain penalties amounting to Rs. 18.29 which were already disallowed by the Company while filing its return of income. The matter has been settled during the year. The tax impact of the same is Rs. Nil (Previous year: Rs. 6.22).

**In relation to iii above excise duty and service tax related matters contested by the Group 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 the 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 2008-09 to 2013-14. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 17.04 (Previous year Rs. 3.17).

**In relation to iv above sale tax matters contested by the Group 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. During the year, the matter has been decided in favour of the Company. The amount involved is Rs. Nil (Previous year Rs. 6.37).
- 2) Matter pending before Sales Tax Appellate Tribunal, Chennai in respect of demand by sales tax department against sales tax not paid on finished goods treated as export of goods. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 4.85 (Previous year Rs. Nil).
- 3) Matter pending before High Court, Gwalior in respect of demand by sales tax department against entry tax paid on raw material. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 33.97 (Previous year Rs. Nil).
- 4) During the year, the LLP has received sales tax assessment order for the financial year 2010-11 wherein the assessing officer has raised a demand of Rs. 29.97 for the same. The LLP has preferred an appeal against the assessment order and based on legal advice and internal assessment is confident that no liability is probable in this matter.
- 5) An order dated 24/06/2013 was passed by Honorable High Court (Single Bench) holding that Entry Tax imposition was unconstitutional and quashed the same. After this the matter taken up by the West Bengal Government for review by the larger bench of the High Court. The petition was admitted and delay was condoned.

The High Court (Larger Bench) refused to grant the refund of the entry tax already deposited and also directed to carry on assessment proceedings in the matter. Pursuant to the order the LLP had stopped paying entry tax in West Bengal. As the matter is subjudice, the liability on account of entry tax is taken in the contingent liability till the disposal of appeal pending before larger bench of the High Court. The amount involved is Rs. 17.31 (Previous year: Rs. 9.54).

## 28 Commitments

	As at 31 March 31, 2015	As at 31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,908.45	97.88
Lease commitments (refer note 36 below)	1,908.45	97.88

## 29 Dividend remitted in foreign currency

	For the year ended 31 March 2015	For the year ended 31 March 2014
Number of non-resident shareholders	-	2.00
Number of equity shares held on which dividend was due	-	2,608,509
Amount remitted in foreign currency	-	52.17

## 30 Value of import calculated at C.I.F basis

	For the year ended 31 March 2015	For the year ended 31 March 2014
Raw material and Components	3507.98	537.76
Stores and spare parts	4.75	24.85
Capital goods	46.93	-
<b>Total</b>	<b>3559.66</b>	<b>562.61</b>

## 31 Expenditure in foreign currency (accrual basis)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Legal and professional	73.95	51.14
Travelling and conveyance	132.30	87.16
Royalty	134.83	58.15
<b>Total</b>	<b>341.08</b>	<b>196.45</b>

## 32 Earning in foreign currency

	For the year ended 31 March 2015	For the year ended 31 March 2014
Export at F.O.B. value	1,038.82	754.03
<b>Total</b>	<b>1,038.82</b>	<b>754.03</b>

## 33 Payment to auditors (excluding service tax)

	For the year ended 31 March 2015	For the year ended 31 March 2014
As auditor		
- Audit fee	22.25	17.25
- Tax audit fee	0.57	-
- Limited review fees	16.35	15.35
- Other services	6.24	5.81
Reimbursement of expenses	3.88	3.22
	<b>49.29</b>	<b>41.63</b>



## 34 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 30th May 2013

### III. Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year:

Chief Financial Officer	Mr. Vivek Bhatia
Company Secretary	Mr. Praveen Lakhera
Enterprises in which Director is a Member	MAP Auto Limited Jamna Agro Implements Private Limited S. W. Farms Private Limited

#### a. Transactions with related parties

Transactions during the year	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Sale of non-operational scrap</b>		
MAP Auto Limited	4.99	-
<b>Sale of fixed assets</b>		
Map Auto Limited	1.63	-
<b>Services received</b>		
<b>- Freight, forwarding and packaging</b>		
MAP Auto Limited	324.99	391.52
<b>- Commission expense</b>		
Winthrop Marketing	-	2.24
<b>- Job Charges</b>		
Jamna Agro Implements Private Limited	89.47	74.49
MAP Auto Limited	400.96	239.78
<b>- Facility sharing</b>		
MAP Auto Limited	-	18.26

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Managerial remuneration</b>		
Mr. R.S. Jauhar	221.26	140.30
Mr. P.S. Jauhar	220.66	146.99
Mr. H. S. Gujral	17.59	11.70
Mr. B.S. Jauhar	100.92	96.11
Mr. Vivek Bhatia	71.82	-
Mr. Praveen Lakhera	41.86	-
<b>Remuneration to others</b>		
Mrs. Kiran Chadha	18.16	18.16
<b>Rent expense</b>		
Mr. P.S. Jauhar	2.40	18.85
Mrs. Sonia Jauhar	33.61	33.61
S.W. Farms Private Limited	21.54	21.53
Mr. R.S. Jauhar	2.40	2.40
<b>Miscellaneous income</b>		
<b>(Sale of non-operational scrap)</b>		
MAP Auto Limited	4.99	-
<b>Rent income</b>		
MAP Auto Limited	2.15	2.05
<b>Loan taken</b>		
S.W. Farms Private Limited	-	701.50
<b>Loan repaid</b>		
S.W. Farms Private Limited	381.50	320.00
<b>Interest paid on loan</b>		
S.W. Farms Private Limited	3.08	49.68
<b>Loan repaid by related party</b>		
MAP Auto Limited	-	200.00
<b>Interest received on loan</b>		
MAP Auto Limited	-	14.50
<b>Advance received for sale of property</b>		
Mr Pradeep Singh Jauhar	15.00	765.00
<b>Guarantee and collaterals</b>		
<b>Personal guarantees (released) / given by promoters for borrowings of the Company</b>		
Mr. R. S. Jauhar	(4,000.00)	1,800.00
Mr. P. S. Jauhar	(4,000.00)	-

**b) Balances with related parties:**

<b>Outstanding balances as at year end</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
<b>Accounts receivables from related parties:</b>		
Winthrop Marketing	-	0.45
MAP Auto Limited - Loan	0.69	-
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
<b>Accounts payable to related parties:</b>		
MAP Auto Limited - Logistic	51.36	17.15
Jamna Agro Implements Private Limited	1.63	0.30
S.W. Farms Pvt Ltd.	393.45	-
<b>Advance for sale of property</b>		
Mr Pradeep Singh Jauhar	780.00	765.00
<b>Guarantee and collaterals*</b>		
Personal guarantee given by promoters for borrowings of the Group		
Mr. R.S. Jauhar	45,654.00	49,654.00
Mr. P.S. Jauhar	45,654.00	49,654.00
<b>Pledge of shares by promoters</b>		
Mr. B.S. Jauhar	34,224.00	34,224.00
Mr. R.S. Jauhar	387,740.00	387,740.00
S.W. Farms Private Limited	340,000.00	340,000.00
MAP Auto Limited	890,210.00	890,210.00

\*Outstanding exposure including interest accrued but not due, Bank guarantees and letters of credit as at March 31, 2015  
- Rs. 21,209 lacs (previous year Rs. 25,663 lacs)

### 35 Earning per share

	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Net profit after tax	2,938.39	1,384.00
Less: Dividend on 12.5% optionally convertible cumulative preference shares for the year	13.20	38.39
Net profit for the period attributable to equity shares	2,925.19	1,345.61
Weighted average number of equity shares during the period in calculating basic EPS	39,548,182	39,500,027
Add: Stock options granted under ESOP	307,813	501,475
Weighted average number of equity shares during the period in calculating diluted EPS	39,855,995	40,001,502
Basic EPS	7.40	3.41
Diluted EPS	7.34	3.36

### 36 Obligation on long term non-cancellable operating lease

The Company has entered into certain operating leases for office premises and guest houses. These leases have an average life of 11 months. These leases are renewable on mutual consent of lessor and the Company. There are no restrictions placed upon the Company by entering into these leases. During the year, the Company has incurred Rs. 256.11 (Previous year: Rs. 291.80) as rental expense. There is no non-cancellable period under these leases.

### 37 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:

- Sales within India includes sales to customers located within India
- Sales outside India includes sales to customers located outside India

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

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Turnover (gross)</b>		
Domestic	<b>117,437.91</b>	88,586.03
Overseas	<b>1,083.64</b>	797.08
<b>Total</b>	<b>118,521.55</b>	89,383.11
	<b>"As at 31 March 2015"</b>	<b>"As at 31 March 2014"</b>
<b>Trade receivables</b>		
Domestic	<b>5,556.06</b>	10,705.75
Overseas	<b>81.28</b>	130.05
<b>Total</b>	<b>5,637.34</b>	10,835.80

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.

## 38 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 (Share based employee benefits) Regulations, 2014. 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, 07	314,000
ESOP Scheme-2008	July 1, 08	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, 2015		For the year ended March 31, 2014	
	No.	Weighted Average Exercise Price	No.	Weighted Average Exercise Price
Options outstanding at the beginning of the year	501,475	72.83	621,500	71.33
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	71,236	83.91	116,275	65.45
Options exercised during the year	122,426	153.97	3,750	63.15
Options outstanding at the end of the year	307,813	77.97	501,475	72.83
Options exercisable at the end of the year	276,088	73.07	324,785	72.83

- (c) Weighted average shares price on the date of exercise of the options is Rs.153.97 (Previous year Rs.63.15)

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

For the year ended 31 March 2015			For the year ended 31 March 2014		
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
0	-	0 years	9425	30.62	0.83 years
0	-	0 years	1500	44.2	1.42 years
199948	54.95	2.14 years	350350	54.95	2.60 years
107865	120.65	1.88 years	140200	120.65	2.57 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 2015	For the year ended 31 March 2014
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 (Share based employee benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, 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.

### 39 Imported and indigenous raw material, components and spare parts consumed

	For the year ended March 31, 2015		For the year ended March 31, 2014	
	% of total consumption	Value	% of total consumption	Value
<b>Raw material and components</b>				
Imported	3.07%	2,289.34	1.42%	775.74
Indigenous	96.93%	72,215.58	98.58%	53,929.01
	100.00%	74,504.92	100.00%	54,704.75
<b>Spare parts</b>				
Imported	0.45%	16.07	0.06%	1.60
Indigenous	99.55%	3,561.49	99.94%	2,591.54
	100.00%	3,577.56	100.00%	2,593.14

## 40 Derivative instruments and unhedged foreign currency exposure

### Particulars of unhedged foreign currency exposure

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency amount in lakhs	Amount (Rs.)	Foreign currency amount in lakhs	Amount (Rs.)
Trade receivables	USD	1.30	81.28	2.16	130.05
Trade payables	USD	2.61	163.67	0.91	54.51
Loans	EURO	19.87	1,243.53	7.33	605.79
	JPY	-	-	372.79	219.30
	USD	186.39	97.13	-	-

## 41 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	As at March 31, 2015	As at March 31, 2014
Changes in the present value of the defined benefit obligation are as follows:		
Obligations at the beginning of the year	418.55	416.61
Service Cost	72.71	41.01
Interest Cost	36.10	31.83
Actuarial (gain) / loss	(18.83)	(27.61)
Benefits paid	(22.85)	(43.29)
Obligations at the end of the year	485.68	418.55
Changes in the fair value of the plan assets are as follows:		
Fair value of planned assets at the beginning of the year	226.99	245.65
Expected return on plan assets	19.42	18.26
Contributions	14.24	4.25
Benefits paid	(22.85)	(43.29)
Actuarial gain / (loss) on planned assets		2.12
Fair value of planned assets at the end of the year	237.80	226.99
Net liability recognized	247.88	191.56
<b>Statement of profit and loss</b>		
Net employee benefit expense recognised in the employee cost		
Gratuity cost for the year		
Current service cost	67.59	41.01
Interest cost on obligation	36.10	31.83
Expected return on planned assets	(19.42)	(18.26)
Net actuarial (gain) / losses	(18.83)	(29.73)
Net expense to be recognised	65.44	24.85
Assumptions used in accounting for the gratuity plan		
Discount rate	7.78%	8.75%
Expected rate of salary increase	6.00%	6.00%
Expected rate of return on planned assets	8.50	8.75
Normal retirement age	58 years	58 years
The Group expects to contribute Rs. 249.17 (previous year Rs. 66.37) 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.

## 42 CSR expenditure

(a) Gross amount required to be spent by the Company during the year	54.29
(b) Amount spent during the year on other than construction of assets	56.43

## 43 Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2014-15

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss	
		As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated profit or loss	Amount (Rs. in lacs)
	Jamna Auto Industries Limited (Consol)	100.00	19,642.60	100.00	2,938.40
1	Parent Company	73.20	14,378.34	23.69	696.14
2	India Subsidiary	26.80	5,264.29	76.31	2242.26
3	Foreign Subsidiary	-	-	-	-
4	Minority interests in the subsidiaries	(0.00)	(0.03)	-	-
	<b>Total</b>	<b>100.00</b>	<b>19,642.60</b>	<b>100.00</b>	<b>2,938.40</b>

Note: Above figures for net assets and share in profit or (loss) of entities are after elimination of all intra group transactions.

- 44** During the previous year, the Company had paid Rs.191.33 towards Directors 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 a land at Chennai by State Industrial Promotion Corporation of Tamilnadu Limited (SIPCOT). As per the agreement with SIPCOT the Company was required to start production within 24 months of allotment. The said period expired in March 2014 and the Company applied for extension for such period upto December 31, 2014 which was approved by SIPCOT. The Company started construction of building and further requested for an extension, on which it is waiting for response from SIPCOT. The management on the basis of discussion, is confident that it shall be able to resolve the issue with SIPCOT amicably and no provision is required in this regard.
- 46** Asset held for sale represents a property amounting to Rs. 850 (Previous year: Rs. 850) which is not in the name of the LLP, though the same is in its possession for fitment. The Group has taken an advance of Rs. 780 (Previous year: Rs. 765) against sales of the said property.

**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

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

Place: Gurgaon  
Date: May 19, 2015

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

**P.S. Jauhar**  
Director  
DIN : 00744518

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

Place: New Delhi  
Date: May 19, 2015

**R.S. Jauhar**  
Director  
DIN : 00746186

**Vivek Bhatia**  
Chief Financial Officer

# JAI



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