



Our milestones are touchstones

Annual Report 2010-11

**AUGMENTING
SCALE**

**BUILDING
TRUST**

**CREATING
WEALTH**

**DELIVERING
VALUE**

Jay Bharat Maruti Limited

Gears has been used conceptually to depict the harmonious working, alignment and progress of the two joint venture companies since its inception. With both companies on the path of momentum and acceleration, this year's annual report thematically demonstrates the spirit of growth and heralding a new level of performance both for itself and its joint venture company.



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SCALE VALUE

Corporate Information

BOARD OF DIRECTORS

Mr. S.K. Arya (Chairman and Managing Director)

Mr. U.C. Agarwal

Mr. D.P. Agarwal

Mr. R. Dayal, MSIL Nominee

Mr. Achintya Karati

Mr. Nishant Arya

Mr. Anand Swaroop, President & CFO

Mr. S. Kartik (Company Secretary and Compliance Officer)

REGISTERED & CORPORATE OFFICE

601, Hemkunt Chambers

89, Nehru Place, New Delhi - 110 019

Ph: 91-11-26427104-6,

Fax: 91-11-26427100

Email: corp@jbm.co.in

www.jbm-group.com

WORKS

Plant 1

Plot No. 5

Maruti Joint Venture Complex,
Gurgaon - 122 015
(Haryana)

Plant 2

Sector 36,

Mohammadpur Jharsa,
Near Khandsa Village,
Gurgaon - 122 001 (Haryana)

Plant 3

Plot No.15 & 22, Sector - 3A
Maruti Supplier Park,
IMT Manesar,
Gurgaon - 122 050 (Haryana)

JOINT VENTURE PARTNER

Maruti Suzuki India Limited

STATUTORY AUDITORS

Mehra Goel & Co.
(Chartered Accountants)

INTERNAL AUDITORS

Sahni Natrajan & Bahl
(Chartered Accountants)

REGISTRAR & SHARE TRANSFER AGENTS

MCS Limited

BANKERS

Standard Chartered Bank

IndusInd Bank

DBS Bank

Canara Bank

The Bank Of Tokyo Mitsubishi UFJ
Limited

ICICI Bank Limited

Citi Bank N.A.

YES Bank Limited

WEALTH TRUST

VALUE



**Small ambitions often
translate into big visions,
just as small beginnings
expand into big achievements.
That sums up the story of
Jay Bharat Maruti Limited.**

It is the story of a relationship that began with a small Joint Venture with Maruti Suzuki India Limited (MSIL) back in 1987, and that has since grown into one of the biggest alliances in the Indian auto industry. It is the story of growing trust between two like-minded organizations that are continuously looking at common aspirations to

enable greater wealth creation for both. It is the story of expansion and growth, and of progress and development.

Today, as we seek once again to align our business goals to the transforming needs of our alliance partner, we do it with a renewed sense of purpose to take our relationship to an even higher level. A level where we shall further

augment our scale to build even greater trust, thereby creating more wealth and delivering larger value to one another, and to each of our stakeholders.



*In a networked world, trust is the
most important currency.*

*Eric Schmidt, University of Pennsylvania
Commencement Address, 2009*



Chairman's Message



“As a Group, we remain committed to Corporate and Social Responsibility. In our actions, we strive to ensure that all economic, environmental and social factors are considered. We believe that this approach, driven by our principles of respect, rigour and involvement, makes us more responsible and informed as a Company.”

Dear Shareholders,

I am delighted to write to you at the end of another significant year in the history of Jay Bharat Maruti Limited. It gives me immense pleasure to inform you that in the Financial Year ended 2010-11, your Company achieved another milestone by crossing ₹1,000/- crore turnover.

The year 2010-11 witnessed a turn of events that had mixed results, especially for developing countries like India. On the one hand, there is a high pitch for quality goods and services at affordable prices, and on the other, there is an all time high inflation and increasing interest rates regime which are determined to create a dent on the bottom lines of manufacturing units.

Notwithstanding the above, there was tremendous growth in the Automobile Sector in our country and your Company fared well, moving in complete sync with the growth of its JV partner, Maruti Suzuki India Limited. Going ahead, your Company is determined to fulfill its growing needs. We continue to operate with a clear vision and strategy, which is time tested and also trusted by our allied partner.

As a Group, we remain committed to Corporate and Social Responsibility. In our actions, we strive to ensure that all economic, environmental and social factors are considered. We believe that this approach, driven by our principles of respect, rigour and involvement, makes us more responsible and informed as a Company.

We continue to focus on hiring and retaining best manpower, low cost automation and Research & Development initiatives.

I wish to convey at this point in time that the progress which your Company has made would not have been possible without the whole-hearted support of our workforce and unstinted cooperation from our Joint Venture Partner, Maruti Suzuki India Limited, and all our esteemed shareholders.

We look forward to the same support and co-operation in the future to cross many more milestones in the years ahead.

Sincerely



S.K. Arya

Chairman & Managing Director

New Delhi - 14-07-2011

Creating Wealth

Financial Highlights - 2010-11

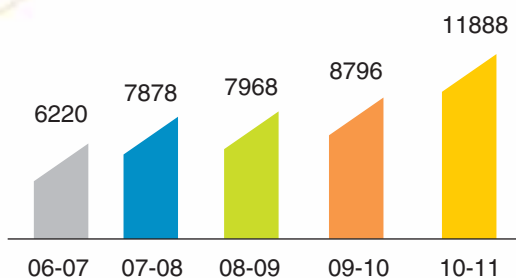
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Gross Sales	6220	7878	7968	8796	11888
Net Sales	5195	6570	6917	8032	10603
Other Income	30	40	29	23	56
Total Income (Net)	5225	6610	6946	8055	10659
Financial Charges	56	81	97	123	143
Depreciation - Fixed Assets	189	203	344	381	351
Depreciation - Lease Assets	27	0	0	0	0
Profit Before Tax	185	252	162	328	566
Tax	65	94	59	118	183
Profit After Tax	120	158	104	210	383
Share Capital	108	108	108	108	108
Reserve & Surplus	433	562	641	813	1145
Net Worth	541	671	749	921	1254
Inventory/Net Turnover (Times)	30.03	34.88	25.61	25.02	20.14
Key Indicators					
PBT/Net Sales (%)	3.56	3.84	2.35	4.08	5.34
PAT/Net Sales (%)	2.30	2.41	1.50	2.61	3.61
RONW (PAT/Net Worth) (%)	22.13	23.61	13.84	22.82	30.55
Earning Per Share (₹)	5.53	7.31	4.79	9.70	17.69
Cash Earning Per Share (₹)	14.26	16.67	20.66	27.29	33.90
Dividend Per Share (₹)	1.00	1.25	1.00	1.50	2.00
Book Value per Share (₹)	24.99	30.97	34.58	42.53	57.90
Price/Earning Ratio (Times)	7.41	7.63	4.80	7.14	4.48
Market Price of Share as on 31st March (₹)	40.95	55.80	23.00	69.26	79.25
Market Capitalization	887	1208	498	1500	1716
Dividend	21.65	27.06	21.65	32.48	43.30
Corporate Dividend Tax	3.68	4.60	3.68	5.52	7.02
Dividend Payout Ratio (%) (including Dividend Distribution Tax)	21.15	20.00	24.45	18.08	13.14

Wealth is the accumulation of possibilities."

- Anonymous

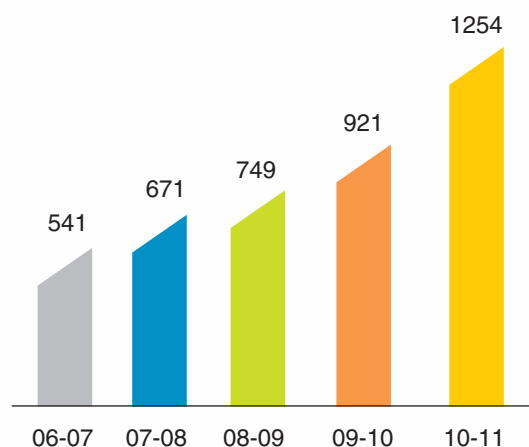
Total Sales (Gross)

(₹ in Millions)



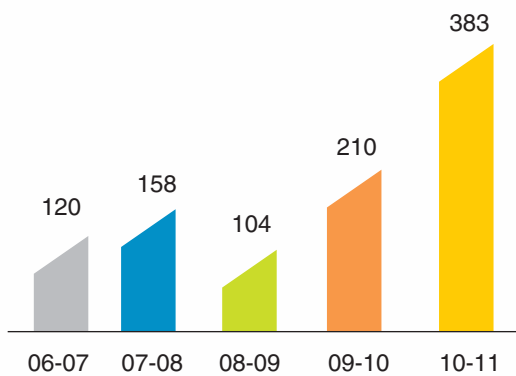
Net Worth

(₹ in Millions)



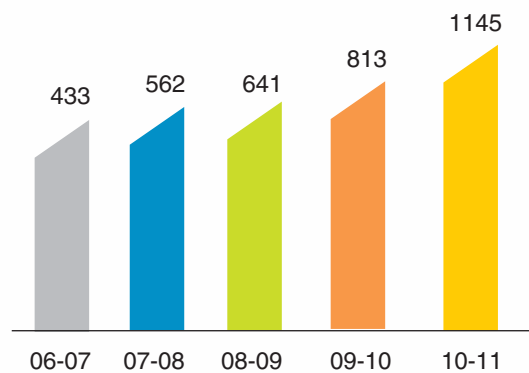
Profit and Loss

(₹ in Millions)



Reserve and Surplus

(₹ in Millions)



Who we are

Jay Bharat Maruti Limited (JBML) is a Joint Venture company set up between JBM Group and Maruti Suzuki in 1987. The ₹1000 crore JV, which has been growing from strength to strength since inception, is engaged in world-class manufacturing through indigenous press lines, robotic welding, plating and painting facilities.

Focused on enabling growth through technology and innovation to deliver excellence in productivity and quality, the Company's business model is centered on ensuring total customer delight and satisfaction. Its people-centric policies make JBML a preferred employer for its 3310 employees, to whom it offers the best of environments to nurture their talent and hone their skills at every stage of their association with the Company.



AUGMENTING SCALE

Jay Bharat Maruti Limited (JBML), headquartered in New Delhi, leverages the Group's philosophy of best global practices, acquired through long experience of working with demanding customers and alliance partners, to deliver excellence across an expanding product range.

To meet the growing demands of its JV partner, JBML has been continuously augmenting the scale of its operations to encompass an expanding product range that includes:

- Sheet Metal Components
- Assemblies and sub assemblies

- Exhaust Systems
- Fuel Neck Fillers

JBML ensures excellence in manufacturing and quality through high-end infrastructure, coupled with strong in-house engineering and manufacturing capabilities to meet the growing and complex demands of its customers.

JBML's skilled and qualified R&D team is continually engaged in upgrading technology and innovating new processes and practices to evolve the Company's manufacturing systems to best-in-class international levels.

When you see the value of continued growth, the circumstances around you become stepping stones.

- Clyde M. Narrimore

Vision

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

Mission

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

Values

WE BELIEVE IN

- Simplicity by keeping a low profile externally and having clear, frank and effective communication in the organization.
- Teamwork with well-defined responsibilities and accountability.
- Relationship of trust amongst people through well-defined responsibility and authority.
- According top priority to customer focus through prompt and appropriate response.
- Respect and care for all those associated with us by meeting commitments.

BUILDING TRUST

JBML has, over the years, evolved as a trusted and reliable partner not only for its customers but also for its technology partners, who include:

HAMAMATSU PIPE CO JAPAN

- Exhaust System Manufacturing
- Fuel Neck Filler Manufacturing

DAIWA EXCEL JAPAN

- Electroplating

YORUZU CORPORATION, JAPAN

- Rear Axle Swift
- Rear Axle Ritz

FUTABA INDUSTRIAL CO, JAPAN-REAR

- Rear Axle SX4

OKAMOTO, JAPAN

- Rear Axle A-Star and new Wagon R

1 Varieties of Steel used:
Cold Rolled Steel, Hot Rolled Steel,
Stainless Steel (304/409/436),
Aluminum Coated Steel,
Zinc Nickel Coated Steel,
Electro Galvanized Steel, High Tensile
Steel up to JSH590,
Pre-painted Steel

2 In-house engineering
and manufacturing
proress

8 Excellent support from all
raw material sources and
hardware manufacturers

Delivering value on our plank of strengths

7 Learning from renowned
Prof. Tsuda for implementing
best practices like
Poka Yoke, Kaizen, Shop
Floor Management, etc.

3 Visionary management
and dedicated human
resources

6 Experience of dealing
with global alliances
from diverse cultures

4 Improved material yield
with the establishment of
Steel Service Centre

5 Highly successful
track record of tooling
management

1987

Company incorporated

1989

Commercial production started

1992

Capacity 9500 MT

1994

Capacity 1200 MT
Awarded with Certificate of Merit from National Productivity Council
ACMA Productivity Award

1995

Plant 2 commissioned
Accredited with ISO-9002

1996

Exhaust System M-800 & OMNI

1997

Fenders
Productivity Improvement Award from National Productivity council

1998

QS-9000
ACMA Quality Trophy

Delivering value through the years

JBML's journey through the years has been one of iconic milestones that stand tall as symbols of excellence in technology and innovation, and that have helped the Company empower its people and its customers with rare strengths and endowed them with exceptional value.

1999

BAAN IV Software System
Exhaust System Alto & Wagon R

2000

M-800 Car Under Bodies

2001

Versa Line

2003

Fuel Neck Filler & Electroplating
Axle Line – 800CC & Alto

2005

Swift/Dzire Line Installation

2006

Zen Estilo Line

2007

Axle Line - SX4

2008

A-Star line (Axle & BIW)

2009

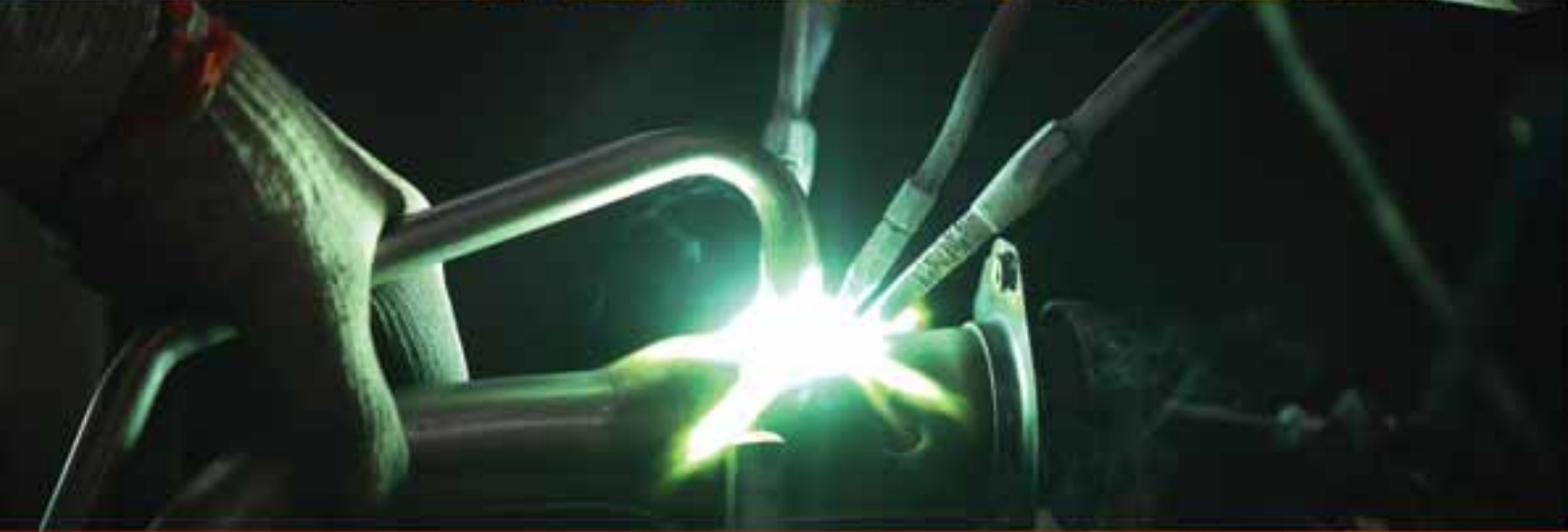
Plant 3 Commissioned
Ritz line (Axle & BIW)
Estilo Minor

2010

Manesar Plant Expansion
New Wagon R Robotic Axle Line
YP-8 Line (Axle & BIW)
Alto K-10 Weld Line
1200 T Press Line
SAP-ERP goes live

2011

1200 T Press Line
Spares Business



**Delivering value through
our manufacturing prowess**



JBML has three state-of-the-art plants, equipped with the highest grade machinery, to manufacture a wide range of products, innovated through exceptional levels of Research & Development.

The three plants, strategically located in the National Capital Region, produce more than 500 components/assemblies a day to generate total supplies of more than 70,000 parts a day.

The first plant for Welding Assemblies was set up in March 1989. Keeping pace with the challenging demands of changing times, and upgrading itself to the technological advancements over the years, JBML extended the plant's capacities in 1991 and again in 1993. The second plant, equipped for Stampings, became operational in April 1996, and the next decade saw progressive development and extension of its facilities. The Company's third plant came up in 2009 to cater to the growing demand for Welding Assemblies.

The last five years have witnessed addition of modern capacities in the production of exhaust systems, axles and fuel neck fillers to existing steel metal components and welded modules.

*You must look within for value,
but must look beyond for perspective.*

- Denis Waitley

QUALITY



AWARDS



Endorsing our value proposition

JBML operates on the highest principles of performance, productivity and quality at every level of its process and manufacturing chains, ensuring that every product manufactured at its facilities and marketed to its customers is totally defect-free and of the best quality. The Company's quality excellence is manifest in the various certifications and awards that it has received since its inception.

System / Quality Certifications

ISO 9002:1994	1995
QS 9000:1995	1998
QS 9000:1998	1999
ISO 14001:1996	2002
ISO/TS 16949:2002	2002
OHSAS 18001:1999	2003
ISO 14001:2004	2005
OHSAS 18001:2007	2009
ISO/TS 16949:2009	2010

Our Quality Policy

The policy of JBML is to achieve total customer satisfaction by delivering products and providing services that meet or exceed their exact requirements and expectations and to do so on time at most competitive prices in domestic and export market for our entire product range.

Key Awards and Recognitions

2010-11

- Incoming Quality Improvement certificate - MSIL
- VA-VE certificate - MSIL

2009-10

- Certification of Appreciation for participation in Maruti Suzuki Vendor Conference
- VA-VE Vendor Performance Award
- Manufacturing Excellence Award - MSIL

2008-09

- Vendor Performance Awards for Car Scheme & MPS - MSIL
- Shields for Tier2 Upgradation & Yield Improvement (1.1.1) - MSIL

2007-08

- Yield Improvement Trophy - MSIL
- Outstanding Contribution to Supply Chain - Eicher Motors
- Significant Achievement in Business Excellence - CII Exim Bank
- Award for HR Best Practices - CII

2006-07

- Significant Achievement in Business Excellence - CII Exim Bank
- Yield Improvement Trophy - MSIL
- Overall Excellence Shield - MSIL

2005-06

- Significant Achievement in Business Excellence - CII Exim Bank
- Outstanding Overall Excellence Award - MSIL
- Vendor Performance Award for Yield Improvement - MSIL

2004-05

- Vendor Performance Awards for Alto Cost Reduction - MSIL
- Overall Commendation - MSIL
- Yield Improvement - MSIL
- Tier II Vendors Upgradation Certificate - MSIL

- Strong Commitment to Business Excellence - CII Exim Bank

2003-04

- Excellence in Cost Reduction through VA-VE - MSIL
- Superior Performance through KAIZEN - MSIL
- Outstanding Overall Performance - MSIL
- Superior Performance in Cost Reduction through Yield Improvement - MSIL
- Strong Commitment to TQM - CII EXIM

2002-03

- Best Vendor in Sheet Metal Award - HMSI
- Outstanding Overall Performance - MSIL

2000-01

- Productivity Award - ACMA

1999-00

- Safety & Welfare Award - Haryana Govt.
- Excellence in Quality - ACMA

1998-99

- Excellence in Quality - ACMA

1997-98

- Award for Quality - ACMA

1996-97

- Merit Certificate for Productivity - ACMA
- Best Vendor Award - MSIL
- Merit Certificate for Productivity - NPC

1995-96

- Best Vendor Performance Award - MSIL

1994-95

- Best Vendor Award - MSIL

1993-94

- Merit Certificate for Productivity - NPC

Board of Directors



Mr. Achintya Karati
Director

Mr. R. Dayal
Director

Mr. D.P. Agarwal
Director

Mr. S. K. Arya
Chairman
& Managing Director

Mr. U.C. Agarwal
Director

Mr. Nishant Arya
Director

GOAL
VISIONARIES
DIRECTION

LETTER TO SHAREHOLDERS

DEAR MEMBERS,

As part of Green Initiative in Corporate Governance and after withdrawal of certificate of posting facility by the postal department, the Ministry of Corporate Affairs (MCA), Government of India vide its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. It will also ensure prompt receipt of communication, reduction in paper consumption and avoid loss in postal transit.

Keeping in view the spirit of the circular issued by MCA, we are pleased to inform that the Company has decided to henceforth send all communication / documents like the Notice convening the General Meeting, Financial Statements, Directors' Report, Auditors' Report etc. on and from the year ended March 31, 2011, in electronic mail (E-mail), to those shareholders' whose e-mail ID is available in our records/depository.

In case you are holding shares in physical mode and desire to receive communication / documents mentioned above by e-mail or you want to receive them at any other e-mail ID, you are kindly requested to fill the registration form attached at the end of the Annual Report and send it by e-mail to jbmlinvestor@jbm.co.in or by courier to **Company Secretary, Jay Bharat Maruti Limited, 601, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110019** or to the Company's Registrar & Share Transfer Agent **M/s MCS Limited at F-65, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110020**.

The documents will also be uploaded on the website of the Company viz. www.jbm-group.com. The documents will also be available for inspection at the registered office of the Company during working hours. As a member of the Company, you are always entitled to receive free of cost, documents like notices, annual report, etc. in accordance with the provisions of the Companies Act, 1956.

In case you want to receive the communication / documents mentioned above in physical form, please inform us on or before 9th July, 2011 by sending e-mail to jbmlinvestor@jbm.co.in / gogreenjbm@mcsdel.com or by courier to **Company Secretary, Jay Bharat Maruti Limited, 601, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110019** or to the Company's Registrar & Share Transfer Agent **M/s MCS Limited at F-65, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110020**.

The Company is looking forward to your kind co-operation in this green initiative.

Thanking you.
Yours faithfully,

for **JAY BHARAT MARUTI LIMITED**

Date : 08-06-2011

S. KARTIK
Company Secretary

DIRECTORS' REPORT 2010-11

DEAR MEMBERS,

M/s JAY BHARAT MARUTI LIMITED

On behalf of the Board of Directors of your Company, it is my privilege to present the 24th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2011 and Auditor's Report thereon.

FINANCIAL RESULTS

The summarized financials are as below:

Particulars	₹ in Million	
	2010-11	2009-10
Sales and other Income (Gross)	11943.97	8819.31
Profit Before Tax	566.43	328.16
Provision for Tax	183.38	118.06
Profit After Tax	383.04	210.10
Balance Brought Forward From Previous Year	691.23	541.62
Profit available for Appropriation	1074.27	751.72
Appropriation:		
Proposed Dividend	43.30	32.47
Dividend Tax	7.02	5.52
Transferred to General Reserve	40.00	22.50
Balance carried to Balance Sheet	983.95	691.23

BUSINESS PERFORMANCE

This has been a momentous year for your Company as it crossed another milestone of ₹10,000 Million in Turnover. Your Company's performance has been truly impressive and this was possible only due to meticulous planning, proper identification of deliverables and then chalking out a perfect strategy towards achieving the deliverables.

Net Sales for the year was ₹10,603 Million as against ₹8,032 Million in the previous year, showing a growth of 32% (YoY). Profit After Tax (PAT) grew at an impressive rate of 82.38 % (YoY), increasing from ₹210 Million in the previous year to ₹383 Million in 2010-2011. Earnings per Share (EPS) increased from ₹9.70/- per share in the previous year to ₹17.69/- per share in 2010-2011, an increase of 82.37 % (YoY).

The automobile industry is seen as a sunrise industry, and our esteemed Joint Venture Partner, Maruti Suzuki India Limited (MSIL) is breaking all records in production as well as in sales, and your Company being in perfect sync with the growth of MSIL, the Management is optimistic that the Company will grow leaps and bounds in times to come.

DIVIDEND

Considering the immaculate performance of your Company, your Directors are pleased to recommend a higher dividend of 40% (i.e. ₹2.00/- per equity share of ₹5/- each) for the financial year 2010-2011 as against a dividend of 30% (i.e. ₹1.50 per equity share for the financial year 2009-10).

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

CREDIT RATING

A. ICRA Rating:

Your Company has been awarded A1+ credit rating by ICRA which is the highest-credit-quality rating assigned by ICRA for short term instruments and LA+ rating for long term debt Instruments by ICRA.

B. CRISIL Rating

CRISIL has awarded P1 rating for Commercial Paper, which indicates that the degree of safety regarding timely payment on the instrument is very strong.

QUALITY

Your Company has implemented International Quality Management System in all the three manufacturing facilities based on requirement of ISO/TS 16949:2009 and ISO 9001:2008 certified from American Systems Registrar (ASR).

Management Discussion and Analysis Report

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

AWARDS / ACCOLADES

Your Company won the following awards from Maruti Suzuki India Limited (MSIL) for the year under review:

- Shield for audit system rating
- Shield for HR Initiative
- Certificate for VA/VE
- Certificate for Improvement in quality

HUMAN RESOURCE DEVELOPMENT

Your Company believes that people are the biggest strength of the organisation and there has been a continuous effort to provide them with a congenial work environment.

Suitable training programmes are also arranged for employees wherein they can develop and harness their skills and specialization and contribute to the goals of the organization in a better way.

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

DIRECTORS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

that in the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

- I. that appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2011 and of the profit of the Company for the period ended 31st March 2011;
- II. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- III. that the annual accounts for the year ended 31st March 2011 have been prepared on a going concern basis.

CORPORATE GOVERNANCE

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

DIRECTORS' REPORT

AUDITORS AND AUDITORS' REPORT

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

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

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

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

PARTICULARS OF EMPLOYEES

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

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

LISTING

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

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

Your Directors acknowledge the continued assistance, guidance and Co-operation received from Suzuki Corporation Limited (Japan) & Maruti Suzuki India Limited and its technical partners Hamamatsu Pipe Co. (Japan), Daiwa Excel (Japan) and Yorozu Corp. (Japan), Futaba Corporation (Japan) and Okomotu Press Co. Limited (Japan).

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

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

For and on behalf of the Board

Place : New Delhi
Date : 14-07-2011

S. K. ARYA
Chairman & Managing Director

ANNEXURE-1

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

(a) Conservation of Energy

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

- (a) Improved lux level (From 170 to 220) in Shop Floor by providing Transparent Roof Sheets;
- (b) Installed VFD Drive on 400T / ISGEC Press Line thereby reducing consumption of Electricity.
- (c) Installed 18 nos. CFL of 28 W in place of 40 W Tubelight and CFL of 96 W in place of 400 W HPMV lamps;
- (d) Reduction in air consumption from 1400CFM to 1330CFM;
- (e) FRP Blade installation in Cooling towers;
- (f) Cooling Water Pump-Impeller Dia. reduction by 5% resulting in power saving of 15%;
- (g) Cost saving on ISGEC Line (I-401) press is ₹2,01,135 (m/c is running at 45Hz);
- (h) Installing transparent sheet resulted in usage of natural lighting and thereby reducing consumption of electricity amounted to a saving of ₹1,14,000;
- (i) By providing cyclic timer, electricity is saved automatically as AHU/Exhaust blower stops during lunch / dinner;
- (j) Providing oil filtration m/c, results in saving of oil;
- (k) By installing Industrial RO, water is recycled everyday;

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

FORM B

Research & Development (R&D)	
1. Specific area in which R&D work is carried out	<p>Research and Development carried out in plant layout by e-factory software.</p> <p>Research and study done on progressive dies, Transfer presses and robotic feeding on press lines.</p>
2. Benefit derived as a result of the above R & D	<p>Research and Development carried out in plant layout to focused towards smoothening and also visualising the flow of materials which is simulated in static and dynamic condition to meet the requirement of additional space for storage, to meet the increasing volume of existing business and accommodating new business requirement.</p> <p>Using progressive dies will help in developing the capabilities of progressive die designs resulting in productivity improvement and also reduction in storage space.</p> <p>Transfer press lines can produce greater volumes per hour and the space requirement is also less as compared to conventional tandem presses.</p> <p>Using robotic feeding on press lines is focused on improving safety levels and reduced intervention of manpower.</p>

<p>3. Future plan of action</p>	<p>The outcome of simulation in plant layout will be reviewed by cross functional team and thereafter shifting of layout will be done according to feasibility of shifting.</p> <p>More progressive dies will be developed for small and medium parts, wherever feasible for increasing volume.</p> <p>As a process of Backward Integration, the Company will use laser technology to localize the laser operation process in India, instead of importing laser operated components from Japan for future model of MSIL.</p> <p>By using Hamming Process Technology, the Company will be able to manufacture complete assembly of outer skin panel, i.e:- Doors, Hood etc. at Manesar Unit.</p>	
<p>4. Expenditure on R & D:</p>	<p>Not Identified separately.</p>	
<p>Technology Absorption, Adaptation and Innovation</p>		
<p>1. Efforts, in brief made for the technology absorption, adaptation and innovation.</p> <p>2. Benefits derived as a result of the above e.g. product improvement, cost reduction, product development, import substitution</p> <p>3. In case of imported technology (imported during the last 5 years from the beginning of the financial year), the following information:</p>	<p>The spot welding robot technology has been adapted and absorbed fully for all new models of Maruti Suzuki India Limited. This includes robot simulation, robot installation, robot teaching and best possible cycle time to meet the requirement of volume.</p> <p>The above has resulted in quality improvement due to more accurate spot position in assembly and consistency in parts manufacturing.</p> <p>Stated herein below</p>	
<p>Technology Imported</p>		
	<p>Year</p>	<p>Has Technology been fully absorbed?</p>
<p>For electroplating of neck comp fuel filler for models of MSIL, from Hamamatsu Pipe Co & Daiwa Excel, Japan</p>	<p>2006 - 2007</p>	<p>Yes</p>
<p>For manufacturing of rear axle - SX4 from Futaba Corporation, Japan</p>	<p>2006 - 2007</p>	<p>Yes</p>
<p>For manufacturing of rear axle of A STAR and New WAGON-R from Okamoto Press - Japan.</p>	<p>2008 - 2009 2009 - 2010</p>	<p>Yes</p>
<p>For manufacturing of rear axle- RITZ model of MSIL, from Yorozu Corporation, Japan</p>	<p>2009 - 2010</p>	<p>Yes</p>
<p>For Manufacturing of Rear Axle for New Swift Model of MSIL from Futaba Corporation, Japan</p>	<p>2010 - 2011</p>	<p>Yes</p>
<p>For Electroplating of Neck component fuel filler for New Swift Model of MSIL from Hamamatsu Pipe Co & Daiwa Excel, Japan</p>	<p>2010 - 2011</p>	<p>Yes</p>
<p>Foreign Exchange Earnings and Outgo</p>		
<p>a.</p>	<p>Activities relating to exports</p>	<p>No direct export. However, components supplied by the Company are being used for export model of customers.</p>
<p>b.</p>	<p>Total foreign exchange used and earned</p>	<p>Foreign exchange outgo on account of Technical Assistance & Services / Know-How/Royalty, travelling and Interest etc. is ₹683.86 Million (previous year: ₹225.90 Million) and foreign exchange earnings is Nil during the Year (previous year: Nil).</p>

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company is operating in the automobile sector catering to the needs of Original Equipment Manufacturers (OEMs), manufacturing and supplying automobile parts like sheet metal components, Body in White (BIW), Skin Panels, Exhaust, Axle Assemblies, Fuel Neck Fillers, Jigs and Fixtures and Welded Assemblies.

Our main Customer is M/s Maruti Suzuki India Limited (MSIL).

GLOBAL ECONOMIC OVERVIEW

The economic recovery continues around the globe, more or less as predicted and the world economy has come to a stage of adjustment and reform with emerging markets on the path of rapid development.

As per the report of IMF, the world economy is expected to grow at about 4½ percent a year in both 2011 and 2012.

The recovery, however, remains unbalanced. In most advanced economies, output is still far below potential. Unemployment is high, and low growth implies that it will remain so for many years to come. The crisis itself has led to a dramatic deterioration in fiscal positions, forcing a shift to fiscal consolidation while not eliminating market worries about fiscal sustainability.

ASIA PACIFIC SCENARIO

Asia Pacific Economies, particularly those hit by natural disasters during the initial months of 2011, registered mixed economic performance.

Where Japan's economy shrank at an annual rate of 3.7 percent in the first quarter, tipping the country into a recession, as the March 11 earthquake and tsunami disrupted to production and prompted consumers cut back on spending, Investment-led growth was helping Australia recover from floods.

New Zealand, which also suffered a devastating earthquake earlier in the year, showed a considerable rise in dairy exports.

THE INDIAN SCENARIO

As per the reported estimates of Centre for Monitoring Indian Economy (CMIE), the real GDP of Indian Economy has grown by 9.2 per cent in fiscal 2010-11, though the Central Statistical Organisation (CSO) has pegged the growth rate at 8.6 per cent.

Further, as per CMIE estimates, the performance of Indian Economy is expected to be robust in 2011-12 with real GDP expected to grow by 8.8% in 2011-12.

The growth in industrial production will be driven by a rise in consumption demand and investment demand. Consumption demand, in turn, will be driven by a rise in corporate wages, fresh employment generation and lower inflation. Compared year-on-year, Corporate India is expected to spend 14.7 per cent more on salaries & wages in 2011-12. Investment demand is expected to be buoyant because more and more projects are moving into the implementation stage.

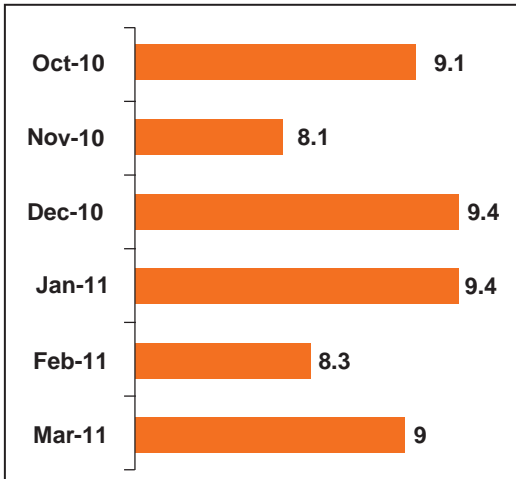
However, apart from the feel good factors, various negative factors which may decelerate the growth must also be kept in mind such as:

(i) High Inflation

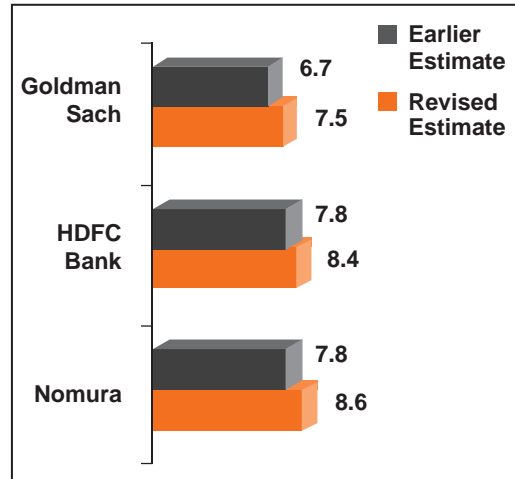
Though food inflation has come down from double digits, it is still a cause of concern. Though the Reserve Bank of India has hiked a numerous times its short-term lending and borrowing rates, the effect on rising prices has not been as desired by the government.

The unexpected spike in inflation may have altered the macro fundamentals of the economy so much that analysts are rushing to downgrade their growth estimate for the current year due to the following reasons:

Measures To Tame Prices Have Had Little Impact
(WPI Inflation In %)



This Has Led To Expectations That Inflation Will Spike Further
Expected Inflation In 2011-12 In (%)



(ii) Slow Reform Movement – Growth Prospects Looking Bleak!

Reforms for growth during the initial phase of UPA ruling were satisfactory but they continue to laggard due to various issues and factors. Wide spread corruption ranging from commonwealth games to allotment of 2G spectrum came into light causing major embarrassment.

(iii) Slowdown in Corporate Earnings – Impacted by higher operating costs!

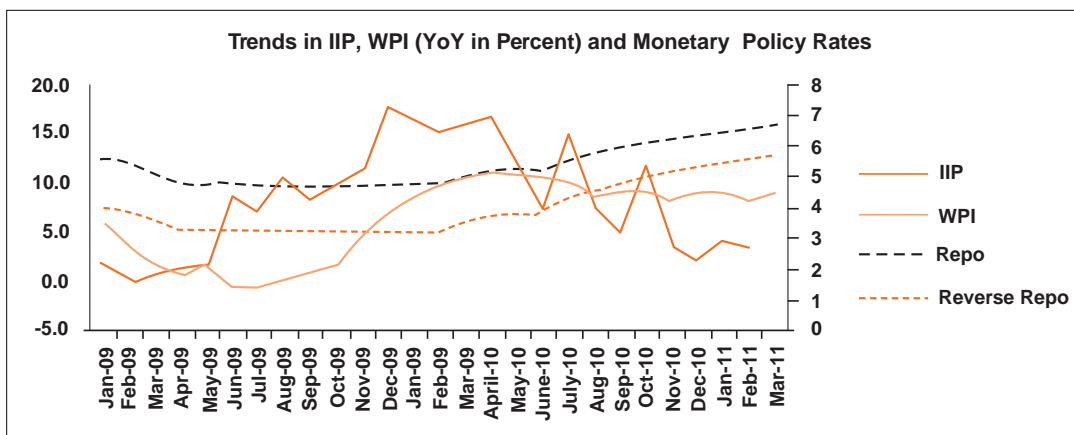
High inflation and rising interest rates scenario affects corporate profitability. Higher input costs leads to squeeze in corporate margins at operating level or a spill-over to final consumers.

(iv) Ballooning Current Account Deficit – A real cause of concern!

The high current account deficit coupled with large fiscal deficit is a cause of concern and requires fiscal prudence and financial discipline in spending to contain them.

(v) Industrial Growth – Indicate Weakness!

As can be seen from below chart, weakness in industrial production trend continues with IIP registering a growth of 7.8 percent during April-February 2010-11 as against a growth of 10.0 percent seen during April-February 2009-10. Performance of the mining and manufacturing sectors has been particularly weak.



(vi) Rising Interest Rates – Renders working conditions costly!

The Reserve Bank of India (RBI) has since March 2010, hiked eight times, its short-term lending and borrowing rates to combat rising prices, which increase the cost of borrowing for Corporate and stall expansion projects.

RBI may accelerate rate increases, expected increase in rest of 2011 (Through 2011-12).

PREDICTION BY	EXPECTED INCREASE BY
Nomura	100 basis points
Citi	75 basis points
Goldman Sachs	125 basis points

BUSINESS OVERVIEW

During the year, the business environment had mixed feelings and reactions as consumer sentiments were low, which although did not deteriorate demand for goods and services much. All segments within the Industry adopted the cautious approach and chose to tread the middle path of sustaining at least a minimum average growth in this turbulent time.

However, there was a double digit growth in the Automobile Sector during the year 2010-11.

As per the figures released by Society of Indian Automobile Manufacturers (SIAM), the cumulative sales data for April-March 2011 shows domestic sales growth of 26.17 percent over same period last year. A brief on the sale of automotive Industry is as under:

DOMESTIC SALES

Passenger Vehicles segment grew at 29.16 percent during April-March 2011 over same period last year. Passenger Cars grew by 29.73 percent, Utility Vehicles grew by 18.87 percent and Multi-Purpose Vehicles grew by 42.10 percent in this period.

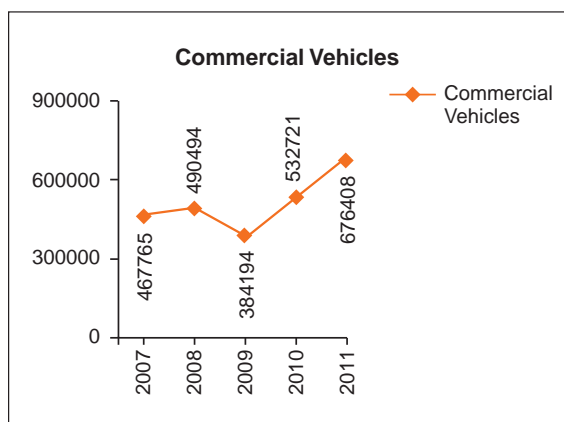
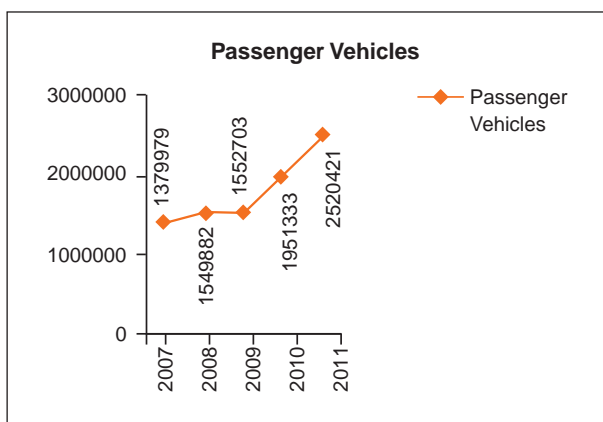
Medium & Heavy Commercial Vehicles (M&HCVs) registered growth of 31.78 percent and Light Commercial Vehicles grew at 22.88 percent.

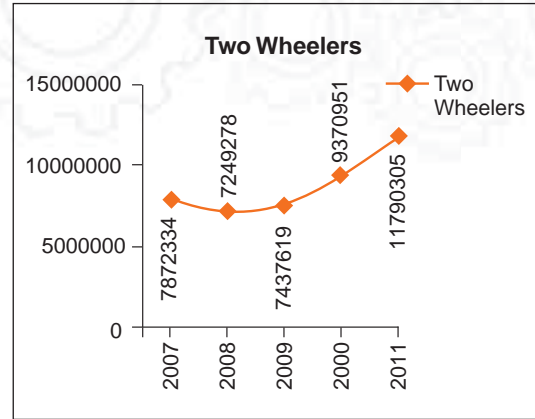
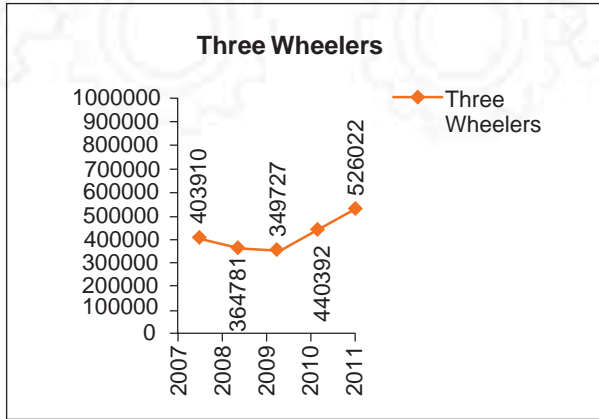
Three Wheelers sales recorded a growth rate of 19.44 percent in April-March 2011. Goods Carriers registered growth of 9.45 percent.

EXPORTS

During April-March 2011, overall automobile exports registered a growth rate of 29.64 percent. Passenger Vehicles registered a growth rate of 1.64 percent in this period. Commercial Vehicles, Three Wheelers and Two Wheelers segments recorded growth of 69.51 percent, 55.86 percent and 35.04 percent respectively during April-March 2011.

Sale during the past five years



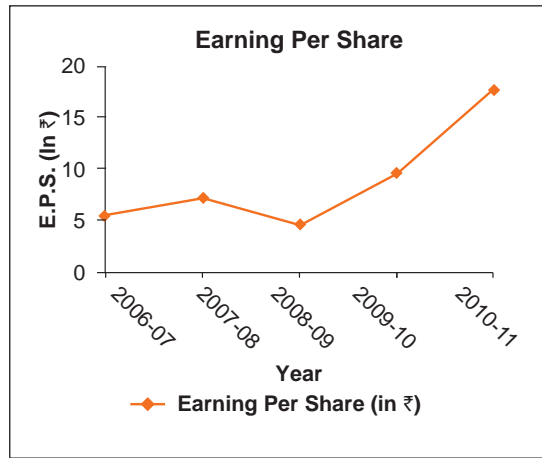
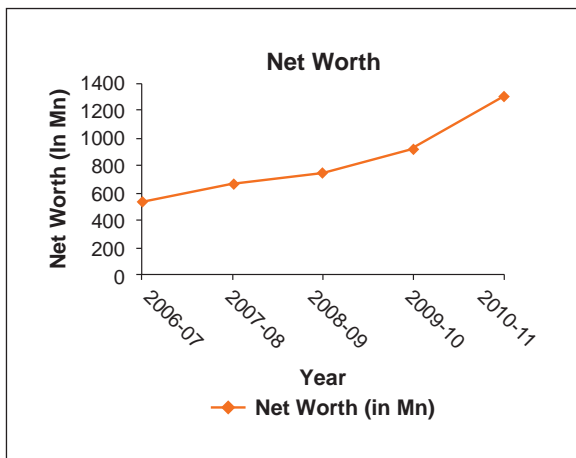
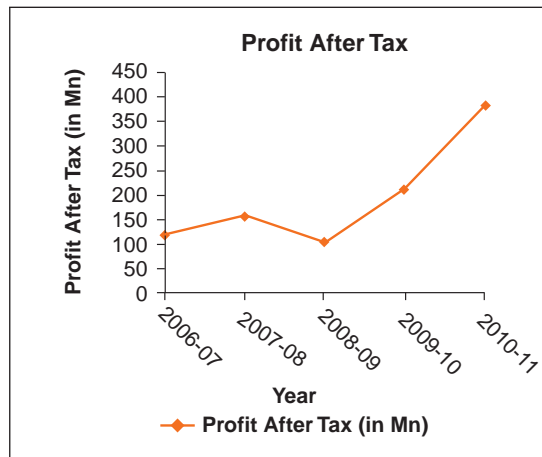
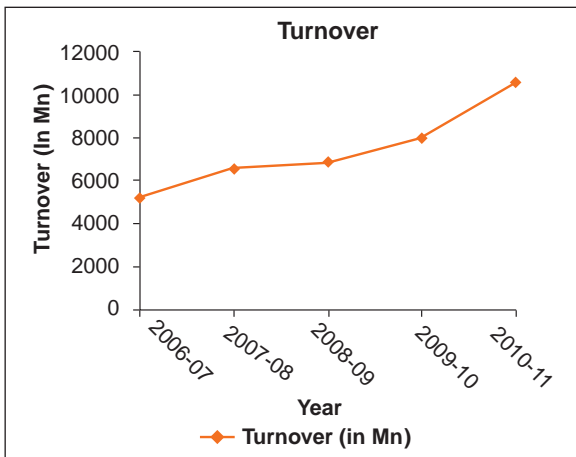


BUSINESS PERFORMANCE

Your Company achieved decent growth in revenue and crossed the milestone of ₹1000 crore turnover (₹ Ten Thousand Million) by clocking Net Sales of ₹10,603 Million as compared to ₹8,032 Million in the previous year, an increase of 32% YoY.

Your Company’s esteemed Joint Venture Partner, MSIL, registered notable rise in sales with 12,71,005 vehicles registering a growth of 24.80% and your Company is moving in a perfect sync with it.

Increase in Sales coupled with continuous improvement in operational efficiencies has contributed to better financial parameters



Turnover increased from ₹8,055 Million to ₹10,659 Million, an increase of 32.32 % YoY.

Profit After Tax (PAT) increased from ₹210 Million in the previous year to ₹383 Million in 2010-2011, an increase of 82.38% (YoY).

Earnings per Share (EPS) increased from ₹9.70/- per share in the previous year to ₹17.69/- per share in 2010-2011, an increase of 82.37% (YoY).

Net worth increased to ₹1,254 Million as against to ₹921 Million in the previous year

ABRIDGED INCOME STATEMENT

Abridged Income Statement 2010-11

₹ in Million

Particulars	2010-11	2009-10	Change
Gross Sales	11888.26	8796.20	35.15%
Less: Excise Duty	1285.34	764.10	
Net Sales	10602.92	8032.10	32.01%
Other Income	55.70	23.11	141.02%
TOTAL	10658.62	8055.21	32.32%
EXPENDITURE			
Material Cost	8438.54	6309.12	33.75%
Manpower Cost	546.93	413.08	32.40%
Manufacturing, administrative and other expense	612.83	501.28	22.25%
Financial Charges	143.03	122.74	16.53%
Depreciation	350.86	380.83	-7.87%
TOTAL EXPENDITURE	10092.19	7727.05	30.61%
Profit Before Tax	566.43	328.16	72.61%
Less: Provision for Income Tax			
- Total Tax provisions	183.38	118.06	55.33%
Profit After Tax	383.05	210.10	82.32%

FINANCIAL PERFORMANCE RATIOS

(As a Percentage of Net Sales)

Parameters	2010-11	2009-10	Change
Material Cost	79.59	78.55	(+) 1.32%
Employee Cost	5.16	5.14	(+) 0.39%
Manufacturing, Admin & Other Expenses	5.78	6.24	(-) 7.37%
Depreciation	3.31	4.74	(-) 30.17%

(+) indicates increase

(-) indicates decrease

WORKING CAPITAL MANAGEMENT

The Company operates in the auto ancillary sector which is capital intensive in nature requiring enormous amount of working capital and therefore it calls for prudent working capital management practices. Your Company plans for its working capital needs optimally and avails the same keeping in mind the interest rate and cost of raising funds including opportunity cost of funds and cost of retained earnings etc.

FOREIGN EXCHANGE RISK MANAGEMENT

The Company is exposed to the risks associated with fluctuations in foreign exchange rates mainly on import of machinery and components etc. The Company manages its exchange risk by using appropriate hedge instruments depending on the market conditions and the view on the currency.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Your Company implemented SAP in the current financial year and is successfully running in the SAP-ERP Solution regime which has improved the overall operational control and the delays in obtaining various information will reduce and decision making will be quick and effective.

The Internal Control system is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

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

The Audit Committee of the Board meets regularly to review the adequacy of Internal controls; Internal audit findings and the corrective actions are taken, if necessary. The Management is reasonably satisfied about the adequacy of these internal control systems.

HUMAN RESOURCES

Employees are the most valuable asset of the organization and it is always vital that people with the right vision, perspective and goals are hired. Your Company focuses on hiring and retaining the best talent in the Industry as right people steer the organisation in the right direction.

Your Company gives special attention to the overall growth and development needs of employees as skill management is an ongoing process. Various training programmes are conducted for this purpose.

During the year under review, the Company conducted (i) Behaviour Based Training (ii) Effective Leadership (iii) Balance Score Card Approach (iv) Management Objective by Commitment (v) Poka Yoke Training (vi) Time Management and Goal Setting (vii) 5S and Kaizen (viii) SWOT Analysis (ix) QC Tools and (x) Safety Training for employees.

Employees were also taken on a recreational tour in order to bring them out of usual regular working environment and taking them to a different environment to foster mental peace and reinforce commitment towards team shared goals and objective.

Also various competitions were held during the year like Carrom Competition, JBML Cricket League, Kaun Banega JBML Star Competition etc.

CORPORATE SOCIAL RESPONSIBILITY

Your Company realises the fact that contribution by a Corporate towards the society in which it is operating, is necessary for sustainable development of the society as a whole. Your Company always contributes towards fulfilling the needs of the society for its upliftment and overall development.

In the year 2010-11, your Company had adopted 5 Ekal Vidyalayas of the remote villages of Utrakhand. These schools are governed by Bharat Lok Shiksha Parishad and are located in those small and remote hamlets where there is no private and Government schools available. Single teacher teaches the student of all ages about practical knowledge of languages, calculation, Hygiene and Self employment. The amount contributed for the aforesaid purpose is ₹ One Million to the Bharat Lok Shiksha Parishad which shall be invested by them and out of the income generated, the expenses of these schools will be borne continually year after year.

Additionally, support is extended to various NGOs which are active in the field of Education, Character building, health and sports. Also, many employees and their families participated in the annual Blood donation Camps organized in-house for the aid of thalassemic children.

Your Company has also contributed ₹2 million as donation for Japan's earthquake & Tsunami relief activities through Red Cross Foundation.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Environment protection, conservation of natural resources and Employee safety at work place is a key concern of your Company and your Company is taking various initiatives through involvement of employees to improve the environment, health and safety at workplace and believes in proactive compliance with legal and other requirements.

Your Company believes in Sustainable Growth. Your Company is first Company in Northern Capital Region (NCR) which signed a code called 'CII Code for Ecologically Sustainable Business Growth'.

Your Company has established, implemented and maintained the "Integrated Management System (IMS)" based on the requirements of International Standards like ISO 14001 (Environmental Management System), OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO/TS 16949 (Quality Management System). Your Company has certified to ISO 14001:2004, OHSAS 18001:2007 and ISO/TS 16949:2009.

A few activities undertaken by your Company are as under:

- Fifty three operational control procedures are established and implemented to mitigate impact of activities of your Company on the environment and risks to employees.
- Analysis of lux level done to improve the lightening in operational area.
- Regular Safety Audits at all plants.
- Periodic monitoring of ambient air quality, ambient noise level, workplace air quality, workplace noise level, stack emissions, trade and domestic effluent etc.
- Installed roof top rain water harvesting system to increase the recycling of water.
- Wet scrubber is provided in electroplating plant to improve the quality of air at workplace and to reduce the impact of emission on environment.
- Fully automatic effluent treatment plant for CED paint shop and Electroplating plant.

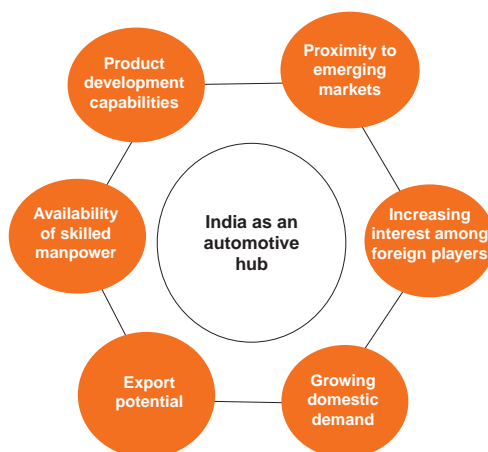
OPPORTUNITIES AND THREATS

Since your Company is catering to the needs of Original Equipment Manufacturers (OEMs) in the automobile sector, the Opportunities and Threats pertaining to your Company have a direct connotation with Automobile Industry

OPPORTUNITIES

Before looking at the emerging opportunities in this sector, it's pertinent to have a brief look towards some facts, research, analysis and estimates which have been made categorizing it as a sunrise Industry with bountiful opportunities.

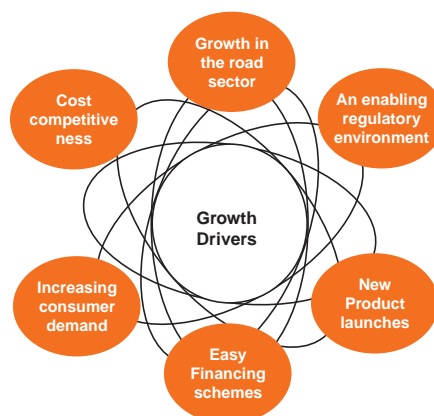
India is poised to become a global manufacturing hub for the automobile industry due to the following advantages:



- Sourcing from low-cost countries has increased, which, in turn, has enhanced India's potential as an automotive hub.
- India's low manufacturing costs due to economies of scale and low R&D and sourcing costs are increasing affordability and driving domestic demand.
- India's proximity to emerging markets such as Asia and Africa is another advantage.
- Shipments to Europe from India are more cost-effective than those from Brazil and Thailand.
- Changing demographics, rising disposable income and the entry of several new players has expanded the domestic market for passenger vehicles (PVs).
- The industry turnover is estimated to reach US\$ 145 billion by 2016.

MAIN GROWTH DRIVERS IN THE PRESENT SCENARIO

- The demand for Indian automobiles and auto components is increasing globally.
- The availability of low-cost skilled manpower is widespread.
- The country has design capabilities.
- Per capita income is increasing.
- The country's working population is growing.
- The market reach of vehicles is low.
- The Indian middle class is growing and is estimated to grow from 50 million currently to 550 million by 2025.
- Disposable income in the rural agriculture sector is increasing.
- Overall economic growth has been sustained.
- Taxes and duties are low.
- Infrastructure development is thriving, with investments of US\$ 500 billion in the sector expected by 2013.
- Product lifecycles are reducing and players are employing quick product launches.
- Most Indian auto players are focusing on the small car segment.

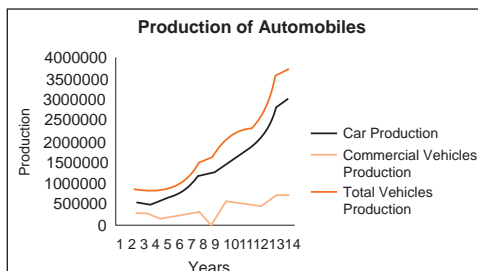


*Source: Report of IBEF on automotives in association with E & Y

Apart from the above notable factors, a few elements that play a vital role in the upcoming of the auto Industry are:

STRONG, CONSISTENT AND IMPROVING PRODUCTION NUMBERS

The production of automobiles has greatly increased in the last decade. It passed the 1 million mark during 2003-2004 and has more than doubled since then.



* Source: Production nos taken from Wikipedia on Automotive Industry in India and Society of Indian Automobiles (SIAM)

INCREASED ATTENTION TOWARDS RESEARCH AND DEVELOPMENT

Consumers in developing markets aren't looking for the sort of cars that sell well in the US or the Europe - in part because they can't afford them. But they don't want cheaply built cars either; they want high-quality, low-cost cars. Selling successfully in these new markets require the engineering talent to rethink the design of automobiles for these markets. Earlier Indian automobile companies spent a relatively low amount on R&D as a percentage of sales. Most of their efforts were directed towards value engineering, or tweaking existing models to improve performance. Developing new models is expensive unless the company is global in scale and ambition. But, inspired by China's global march, Indian firms are starting to realize that they should be setting their sights on this goal too.

According to a study by global consultancy firm Ernst & Young, the Indian market will clock the fastest compound annual growth rate between 2009 and 2020, more than double that of China and the triad of North America, Europe and Japan*.

Keeping in view the above-mentioned macroeconomic factors and overall demographic scenario, there is an ample probability that the Indian automobile Industry will deliver in a bang in future years to come.

* Source: IBEF on automobiles

THREATS

Notwithstanding the ample growth opportunities, the automobile industry operates amid various challenges.

- Demands for new technology will continue and even increase putting pressure on Auto Companies to think about innovation round the clock.
- Constraints regarding Co₂ reduction and fossil fuel conservation call for the development of radically new systems.
- Inadequate Infrastructure in the country is considered as a major road block towards the growth of the Automobile Industry.
- Increase in competition from imported products mostly in the ancillary and parts is seen as another threat to the manufacturers producing locally.
- Pricing pressure from the customers because of availability of variety, choice and different discounts offered by different auto companies results in further squeeze in the margins and ultimately the bottom line.
- Higher input cost due to increasing prices resulting in squeezing bottom line.
- Higher inflation leading to reduction in real disposable income of consumers.
- Any new law, rule, regulation of the Government having an adverse or negative impact on the automobile sector.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

The Company duly recognizes the importance of the Corporate Governance and is strongly committed to good Corporate Governance practices. The Company endeavors to maximize the value in terms of maximization of wealth, returns and growth of its Stakeholders, Customers, Shareholders, Employees, Government, and Lenders including the Society of which the Company is a part and believes in providing information to all stakeholders on the performance of the Company.

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

BOARD OF DIRECTORS

The current policy is to have an optimum combination of Executive and Non Executive Directors, to ensure the independent functioning of the Board:

a) Composition of Board

As on 31st March 2011, the Board of Directors consists of 6 Directors (3 promoter directors and 3 independent directors) including Executive Chairman, one non executive nominee director and four non-Executive Directors. Independent directors do not have any material pecuniary relationship or transactions with the Company, its promoters, its directors, and its senior management, which may affect their independence. The Non Executive Directors of the Company have understanding of profession/business/finance etc.

The directors bring to the Board the wide range of experience and skills. The Board is primarily responsible to protect and enhance the shareholders value. The Board reviews the corporate performance periodically and safeguards the interest of the shareholders.

The details of Directors, category of directors, no. of other directorship/ committee membership held by them as on 31st March 2011 are given below:

Name of Directors	Category of directorship	Promoter/ Independent Director	Directorship in other companies (Nos.) ¹	Committees ²	
				Members (No.)	Chairman (No.)
Mr. S. K. Arya	Chairman & Managing Director	Promoter	14	3	1
Mr. U. C. Agarwal	Non-executive Director	Independent	1	4	3
Mr. D.P. Agarwal	Non-executive Director	Independent	4	2	1
Mr. R. Dayal ³	Non-executive Director	Promoter	1	1	1
Mr. Nishant Arya	Non- executive Director	Promoter	6	1	-
Mr. Achintya Karati	Non-executive Director	Independent	7	6	-

1. Excludes directorships of private limited companies and alternate directorship.
2. As per amended guidelines, Committee here means Audit Committee and Shareholders/Investors Grievance Committee.
3. Nominee Director of Maruti Suzuki India Limited

None of the Directors of the Company was holding Directorship in more than 15 Public Limited Companies or was Member in more than 10 Committees or acted as Chairman of more than 5 Committees across all Companies in which he was a Director (Committee here means Audit Committee and Shareholders/Investors Grievance Committee).

b) Board Meetings

The Company has held one Board Meeting in every three months and the maximum time gap between any two such meetings was not more than four months. Four Board Meetings were held during the financial year 2010-2011. The dates on

which meeting were held are as follows: on 19th April 2010, 14th July 2010, 15th October 2010, and 12th January 2011.

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

Name of Directors	No. of meetings held during the FY. 2010-11	No. of meetings attended	Attendance at last Annual General Meeting
Mr. S.K. Arya	4	4	Yes
Mr. U.C. Agarwal	4	4	Yes
Mr. D.P. Agarwal	4	2	Yes
Mr. R. Dayal	4	4	Yes
Mr. Nishant Arya	4	4	Yes
Mr. Achintya Karati	4	4	Yes

c) Code of Conduct

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

AUDIT COMMITTEE

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

COMPOSITION

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

- Mr. U.C. Agarwal, Chairman
- Mr. D.P. Agarwal, Member
- Mr. Nishant Arya, Member
- Mr. Achintya Karati (inducted as member w.e.f. 14.07.2010)

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

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

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

MEETINGS AND ATTENDANCE

Four Meetings of the Audit Committee were held during the financial year 2010-11 on 19th April 2010, 14th July 2010, 15th October 2010 and 12th January 2011.

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

Members of the Committee	Meetings held during the FY 2010-11	Meetings attended
Mr. U.C. Agarwal	4	4
Mr. D.P. Agarwal	4	2
Mr. Nishant Arya	4	4
Mr. Achintya Karati	4	2

REMUNERATION COMMITTEE

Responsibilities

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

Composition

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

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

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

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

Meeting

The Remuneration Committee has not met during the financial year 2010-11.

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

Detail of sitting fee/remuneration paid to Directors during the Year 2010-11 is as under:

Remuneration Paid to Managing Director

Particulars	Amount ₹ in Lacs
Salary & Allowances	91.68
Other Perquisites	28.32
Contribution to Provident and other Funds	6.36
Commission	149.81
Total	276.17

Sitting Fees paid to Non-Executive Directors

Name of Directors	Meetings		Total	No. of Equity Shares held
	Board	Committee		
Mr. U.C. Agarwal	35000	35000	70000	-
Mr. D.P. Agarwal ¹	-	-	-	-
Mr. R. Dayal ²	35000	-	35000	-
Mr. Nishant Arya	35000	35000	70000	4000
Mr. Achintya Karati	35000	20000	55000	

1. Fee was waived w.e.f. 14th July 2005;
2. Fee was paid in the name of MSIL, being its Nominee Director.

Shareholders'/Investors' Grievance Committee

As on 31st March 2011, the following Directors comprised this Committee:

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

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

Scope of the Committee:

- The Committee deals with transfer, transmission, duplicate issue, rematerialisation of shares split, shareholders' grievance & other related matters; and
- For speedy disposal of cases, the Committee has severally authorized President & CFO and Company Secretary to transfer

maximum 5000 shares at a time and issue of duplicate share certificates on account of split/remat/ mutilation of certificate on weekly basis;

- The Committee meets for transfer of shares beyond such limit/ transmission of shares/ issue of duplicate certificate(s) on loss of old certificate(s)/split/remat & to look into non-receipt of balance sheet/dividend etc. and for any other grievances on need basis. The details of correspondence of shareholders/SEBI/Stock Exchanges or any other authority is being provided to Committee along with MIS;
- The Company has obtained following Certificates / Reports from Practising Company Secretary :
 - Certificate for compliance of share transfer formalities by the Company pursuant to Clause 47(c) of the Listing Agreement on half-yearly basis;
 - Secretarial Audit Report for reconciliation of the share capital of the Company pursuant to SEBI's circular on quarterly basis.
- The dividend request/dividend revalidation, demat / remat and other requests of shareholders are generally processed on weekly basis or at an earlier date on need basis.

As on 31st March 2011, no share transfer was pending. All the share transfers have been affected well during the year within the prescribed time period.

Status of shareholders correspondence as on 31st March 2011 is given here in below:

Nature of correspondence	Receipt (nos.)	Replied/Resolved	Pending (Nos.)
Change of address/mandate	12	12	-
Remat request	6	6	-
Dividend non-receipt/revalidation	43	43	-
Others (e.g. loss of shares, demat credit, non-receipt / exchange of certificate on split & misc.)	18	18	-

ANNUAL GENERAL MEETING

Details of last three annual general meetings of the Company:

2009-10	2008-2009	2007-08
On Monday, the 16th August 2010 at 11.00 a.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010	On Monday, the 24th August 2009 at 11.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003	On Saturday, the 30th August 2008 at 11.00 a.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010
~ No resolution was either required or passed through postal ballot in last three years; ~ No resolution is proposed through postal ballot this year; ~ Special resolutions passed in last three years are as below:		
Increase of limits under Section 293 (1) (a) and Section 293 (1) (d)	No special resolution was passed.	Re-appointment and Remuneration of Mr. S.K. Arya, Chairman & MD

DISCLOSURES

- During 2010-11, other than the transactions entered into in the normal business course and reported as the related party transactions in the annual accounts, the Company had no materially significant related party transactions i.e. transaction of the Company of material nature with its promoters/director/senior management or relatives etc., which could have a potential conflict with the interest of Company at large.
- The Audit Committee is briefed of the all related party transaction undertaken by the Company.
- The Senior Management has made disclosure to the Board that they did not have personal interest in any material, financial and commercial transactions that could result in a conflict with the interest of the Company at large.
- In the preparation of financial statements for the year 2010-11, the Company has followed Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006.

- The Company has a Code of Conduct for its Board and Senior Management (as per Corporate Governance Code) and the same is available at the Company's website. The Company has obtained a compliance certificate from all concerned.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.
- The Company does not have a formal Whistle Blower Policy.
- The Company is complying with mandatory requirements and partly complies with non-mandatory requirements such as :
 - re-imburement of expenses to non-executive chairman;
 - remuneration committee of all independent & non-executive directors;
 - though half yearly results with summary of significant events in last six-months are not sent to each household of shareholders, however the quarterly results are posted on the websites of Company, Stock Exchanges and also published in the newspaper;
 - the financial statements of the Company are without qualification;

COMMUNICATION

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

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

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date & Venue of AGM

Day, Date & Time : Thursday, the 18th August 2011 at 11:00 a.m.

Venue : Airforce Auditorium, Subroto Park, New Delhi - 110010

Financial Year : 2010-11

Date of Book Closure : 5th August 2011 to 18th August 2011 (Both days inclusive)

Dividend Payment date : 30th August 2011

(Subject to members' approval at the ensuing AGM)

FINANCIAL CALENDAR (TENTATIVE AND SUBJECT TO CHANGE)

Financial reporting for the Financial Year 2011-12 (April – March):

1st quarter ending on 30th June 2011 : July 2011

2nd quarter ending on 30th September 2011 : October 2011

3rd quarter ending on 31st December 2011 : January 2012

Year ending on 31st March 2012 : April 2012

LISTING ON STOCK EXCHANGE

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

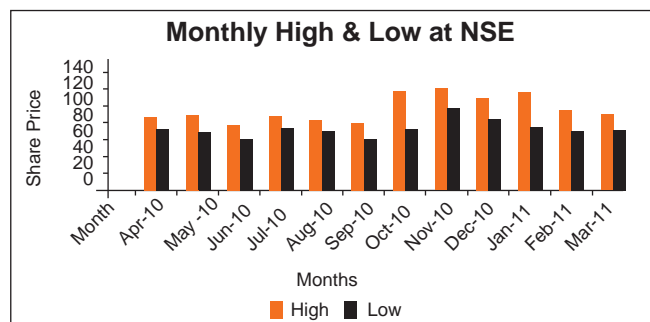
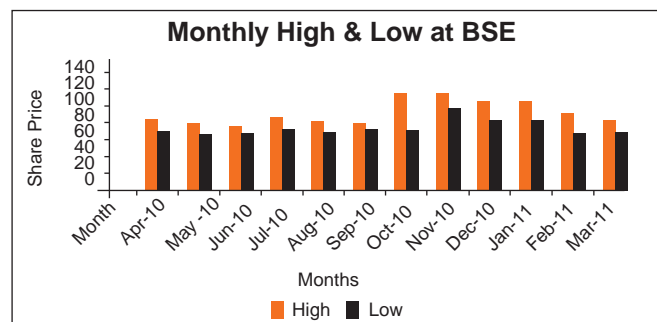
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 Tel. No. 022-22721233/34 Fax: 022-22721919 Security Code: 520066 ISIN NO. for NSDL & CDSL : INE 571B01028	The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No.- C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, Tel.: 022-26598110-14 Fax : 022 – 26598120 Security Code: JAYBARMARU
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The listing fee has already been paid to NSE and BSE and annual custodial fee has been paid to NSDL and CDSL for the financial year 2010-11. Application for voluntary delisting, as per shareholders' approval, is pending with Calcutta Stock Exchange.

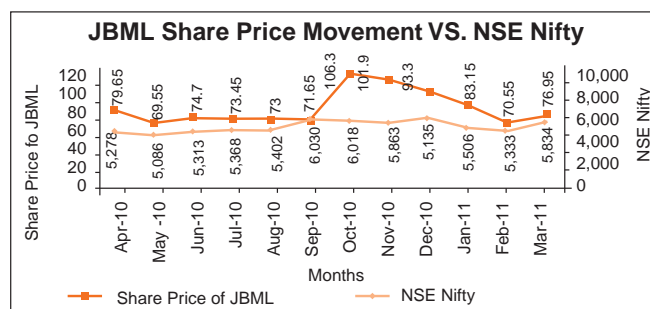
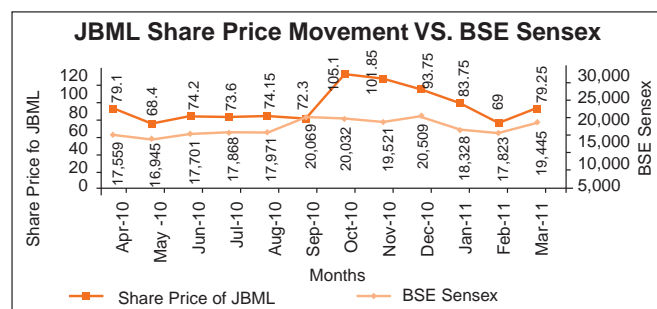
STOCK MARKET DATA:

Share Price Movement: The monthly High/Low Prices and Volume during the financial year 2010-11:

Month	The National Stock Exchange of India Ltd.			The Bombay Stock Exchange Limited		
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
April 2010	85.15	70.00	260093	84.60	69.25	427809
May 2010	87.70	66.40	48601	80.20	66.50	86888
June 2010	76.00	59.45	39645	77.00	67.70	117259
July 2010	85.90	73.00	118030	86.00	71.75	297350
August 2010	80.80	69.00	155839	82.00	68.70	240234
Sept. 2010	78.00	59.00	77542	79.95	71.20	163472
Oct. 2010	115.75	71.80	2575506	115.70	71.55	2510118
Nov. 2010	117.95	96.50	476505	116.00	97.25	524351
Dec. 2010	108.00	82.65	248120	105.95	83.00	417919
Jan. 2011	115.00	73.00	198072	105.15	82.75	244000
Feb. 2011	92.70	68.00	196113	91.00	66.60	218000
March 2011	88.10	70.10	106941	82.90	70.10	133189



Performance in comparison to broad based indices during 2010-11: A comparison of monthly closing share price at BSE and NSE with monthly closing BSE Sensex & NSE S&P CNX Nifty is as follows:



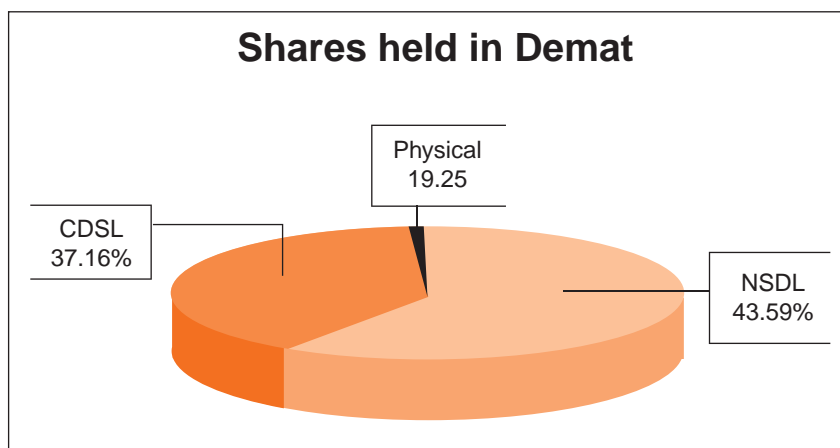
Distribution of Shareholding as on 31st March 2011

No. of equity share held	Folio		Shares	
	Nos.	Percentage	Nos.	Percentage
1-500	9328	89.21	1175175	5.43
501-1000	536	5.13	437884	2.02
1001-2000	316	3.02	499175	2.31
2001-3000	89	0.85	228431	1.06
3001-4000	52	0.50	190720	0.88
4001-5000	19	0.18	89315	0.41
5001-10000	54	0.52	394453	1.82
10001-50000	38	0.36	861475	3.98
50001-100000	3	0.03	241089	1.11
100001 & above	21	0.20	17532283	80.98
Total	10456	100.00	21650000	100.00

Category of shareholders holding shares in Company as on 31st March 2011

Category	No. of shareholder	Percentage	Shares held	Percentage
Physical	3387	32.39	4167264	19.25
NSDL	4868	46.56	9437202	43.59
CDSL	2201	21.05	8045534	37.16
Total	10456	100.00	21650000	100.00

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



The name and addresses of the Depositories are as under:

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, 4th Floor Kamala Mills Compound Senapathi Bapat Marg Lower Parel, Mumbai – 400013 Tel. No. 022 – 24994200 Fax No. 022 – 24972993 E Mail : info@nsdl.com	Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400023 Tel No. 022- 22723333 Fax No. 022-22723199 / 22722072 E Mail: investor@cdslindia.com

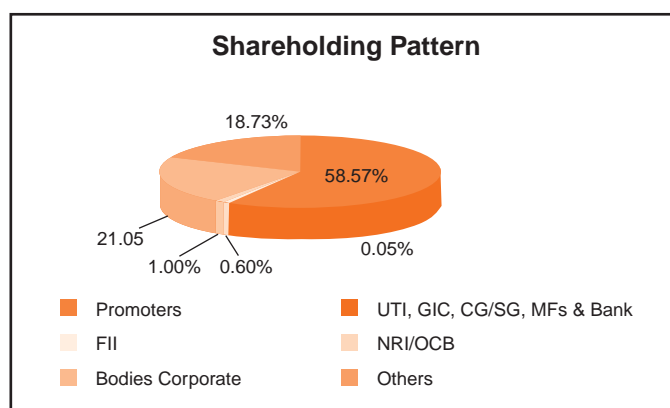
Valuation of Shares: The closing price of the Company's share as at 31st March, 2011 at:

Name of the Stock Exchange	Share Price
The Bombay Stock Exchange Limited	₹79.25
The National Stock Exchange of India Limited	₹76.95

Market Capitalization: Based on the closing quotation of ₹79.25 as at March 31, 2011 at BSE, market capitalization of the Company was ₹17,157.62 lacs.

Shareholding Pattern as on 31st March, 2011

Category	No. of Shares held	Voting Strength (%)
Promoters	12680200	58.57
UTI, GIC, CG/SG, MFs & Bank	11600	0.05
FII	129901	0.60
NRI/OCB	217430	1.00
Bodies Corporate	4555835	21.05
Others	4055034	18.73
Total	2165000	100.00



OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

No outstanding GDR / ADR / Warrants / Convertible Instruments as on 31.03.2011

UNPAID / UNCLAIMED DIVIDEND OF THE COMPANY FOR PREVIOUS YEARS;

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

Financial Year	Rate Of Dividend	Proposed date for transfer to IEPF
2003-04	32%	31st August 2011
2004-05	35%	29th September 2012
2005-06	35%	27th September 2013
2006-07	20%	21st September 2014
2007-08	25%	30th September 2015
2008-09	20%	24th September 2016
2009-10	30%	15th September 2017

ADDRESSES:

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

Mr. S. Kartik

(Company Secretary)

Jay Bharat Maruti Limited,
601 Hemkunt Chambers, 89, Nehru Place
New Delhi - 110 019
Tel.: 011-26427104-06
Fax: 011-26427100
E-mail: skartik@jbm.co.in, jbminvestor@jbm.co.in

MCS Limited

(Unit: Jay Bharat Maruti Limited),

F – 65, Okhla Industrial Areas
Phase - I,
New Delhi-110020
Tel.: 011-41609386/41406149/41709885
Fax: 011-41709881
E-mail: mcssel@vsnl.com

Website:

The following updates and information can be assessed through the company's website i.e. www.jbm-group.com

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

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

Note:

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

CERTIFICATE

TO THE MEMBERS OF
JAY BHARAT MARUTI LIMITED

We have examined the compliance of conditions of Corporate Governance by Jay Bharat Maruti Limited for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of said Company with the stock exchanges.

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

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

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

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

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

Place: New Delhi
Date: 15-04-2011

R. K. MEHRA
Partner

CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR FY 2010-11

To the best of my knowledge and belief and information available with me, I hereby declare that all Board Members and Senior Management Personnel of M/s Jay Bharat Maruti Limited have complied with Code of Conduct during the financial year 2010-11 (as applicable on them).

Date: 15-04-2011
Place: New Delhi

S. K. ARYA
Chairman & Managing Director

CEO AND CFO CERTIFICATION

15-04-2011

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

Sub: Annual Certificate of Compliance for FY 2010–11

Sir,

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

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st march 2011 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
- d) We have indicated to the auditors and the Audit committee:
 - i) significant changes in such internal control during the year, if any ;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

Thanking you.

S.K. ARYA
(Chairman and Managing Director)

ANAND SWAROOP
(President and CFO)

AUDITOR'S REPORT

To the Members of Jay Bharat Maruti Limited

We have audited the attached Balance Sheet of Jay Bharat Maruti Limited as at March 31, 2011, and also the Profit and Loss Account and the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and the information and explanations given to us during the course of our audit, we report that in our opinion:
 - (i) a) Proper records for fixed assets showing full particulars including quantitative details and situation has been maintained.
 - b) Physical verification of fixed assets has been carried out by the management during the year which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
 - c) No substantial parts of fixed assets have been disposed off during the year.
 - (ii) a) The inventory of the Company in its possession has been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties and stocks-in-transit as on March 31, 2011, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
 - (iii) The Company has not granted or taken any loans, secured or unsecured to / from Companies, firms or other parties as covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - (iv) There are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control.
 - (v) a) The particulars of contracts or arrangements that need to be entered into the Register maintained under section 301 have been so entered.
 - b) The transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard that in respect of certain items alternative sources are limited and others are made with reference to price list, quality, delivery schedules and prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.

- (vi) The Company has not accepted any deposits during the year covered by Section 58A and section 58AA or any other relevant provisions of the Companies Act, 1956, and rules framed their under.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) On the basis of records produced before us, we are of the opinion that prima facie, the cost records and accounts prescribed by the central government under clause (d) of sub section (1) of section 209 of the Companies Act, 1956, have been maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- (ix) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, Sales-Tax, Custom Duty, Excise-Duty, Cess, Service-Tax and other statutory dues applicable to it and no amount were in arrears as at 31-03-2011, for a period of more than six months from the date they become payable.
- b) Dues of Sale Tax, Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute are as under:

Name of the Statute		Nature of the Dues	Amount (₹ in lacs)	Forum where dispute is pending
a)	Central Excise	1) Demand for non inclusion of amortization cost, including penalty (F/Y 2005-06 to 2007-08)	3146.68	CESTAT (Stay Granted by Tribunal)
		2) Interest on Supplementary (Upto March-09) (Net of ₹93.81 paid under protest)	72.33	CESTAT /COMM. OF APPEALS
b)	Service Tax	Service on Technical assistance fees & Expenses payment (Interest & penalty 1998 to 2003)	12.11	CESTAT (Stay Granted)
c)	Income Tax Act, 1961	1) Disallowance of lease rent for assessment year 2005-06 & 2006-07	854.49	Writ Petition to Delhi High Court
		2) Disallowance of expenses for exempted income (AY 2008-09)	2.50	CIT (Appeals)
		3) Penalty under section 271(1)(c) for short term capital gain enhanced	5.10	CIT (Appeals)

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

(xix) The Company has not issued debentures during the financial year covered by our audit report.

(xx) The company has not raised money by public issue during the financial year covered by our audit report.

(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

2. We further report that :-

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (ii) In our opinion, the Balance sheet, profit & loss Account and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
- (iii) On the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes and the accounting policies thereon give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a) in case of Balance Sheet, of the state of the Company Affairs as at March 31, 2011;
 - b) in case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - c) in case of cash flow statement, of the cash flows for the year ended on that date.

For **Mehra Goel & Co.**
Chartered Accountants
FRN.000517N

Dated : April 15, 2011
Place : Gurgaon

R.K. Mehra
Partner
M.No. 6102

BALANCE SHEET AS AT 31ST MARCH, 2011

₹ in lacs

	Schedule	31-03-11	31-03-10
I. Sources of Funds			
1 Shareholders' Funds	1		
Share Capital		1082.50	1082.50
Reserves and Surplus		11453.23	8125.98
		12535.73	9209.48
2 Loan Funds	2		
Secured Loans		10782.52	5163.42
3 Deferred Payments		-	717.26
4 Deferred Tax Liability		1659.64	1396.14
		24977.89	16485.30
II. APPLICATION OF FUNDS			
1 Fixed Assets	3		
a. Gross Block		50243.15	43637.93
b. Less: Depreciation		25820.80	23509.22
c. Net Block		24422.35	20128.71
d. Capital Work in Progress including Advances		2897.59	99.89
		27319.94	20228.60
2 Investments	4	238.56	238.56
3 Current Assets, Loans and Advances	5		
Inventories		5264.79	3210.34
Sundry Debtors		5199.41	4654.35
Cash and Bank Balances		62.57	112.98
Loans and Advances		3275.37	2422.97
		13802.14	10399.64
Less: Current Liabilities and Provisions	6	16382.75	14382.50
Net Current Assets		-2580.61	-3982.86
		24977.89	16485.30
Significant Accounting Policies	12		
Notes Forming Part of the Accounts.	13		

As per our report attached.

For **MEHRA GOEL & Co.**
Chartered Accountants

R.K.MEHRA
Partner
M.No-6102
FRN-000517N
Place : Gurgaon (Haryana)
Date : 15-04-2011

S.K.ARYA
Chairman &
Managing Director

ANAND SWAROOP
President & CFO

R.K.MAHESHWARI
GM-Finance

U.C. AGARWAL
D.P. AGARWAL
R. DAYAL
ACHINTYA KARATI
NISHANT ARYA
Directors

S. KARTIK
Company Secretary &
Compliance Officer

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

₹ in lacs

	Schedule	31-03-11	31-03-10
INCOME	7		
Sales		118882.63	87961.99
Less: Excise Duty		12853.45	7640.99
Net Sales		106029.18	80321.00
Other income		557.02	231.09
Increase / (Decrease) in Stock	8	758.87	146.99
		107345.07	80699.08
EXPENDITURE			
Raw Material Consumed		85144.30	63238.15
Employee Remuneration & Benefits	9	5469.29	4130.77
Manufacturing ,Administrative & Other Expenses	10	6128.21	5012.85
Financial Charges	11	1430.36	1227.36
Depreciation		3508.58	3808.30
		101680.74	77417.43
Profit Before Tax		5664.33	3281.65
Less: Provision for IncomeTax			
- earlier years		(21.66)	(7.37)
- current year		1592.00	1055.00
- deferred tax		263.50	133.00
Profit After Tax		3830.49	2101.02
Balance brought forward from previous year		6912.23	5416.16
Profit Available for Appropriations		10742.72	7517.18
APPROPRIATIONS			
Proposed Dividend		433.00	324.75
Dividend Tax		70.24	55.20
Transferred to General Reserve		400.00	225.00
Balance carried to Balance Sheet		9839.48	6912.23
		10742.72	7517.18
Basic and Diluted Earning per Share (₹)		17.69	9.70
(Refer note no. 12 of schedule 13)			
Face Value of a Equity Share (₹)		5.00	5.00
Significant Accounting Policies	12		
Notes Forming Part of the Accounts	13		

As per our report attached.

For **MEHRA GOEL & Co.**
Chartered Accountants

R.K.MEHRA

Partner

M.No-6102

FRN-000517N

Place : Gurgaon (Haryana)

Date : 15-04-2011

S.K.ARYA

Chairman &
Managing Director

ANAND SWAROOP

President & CFO

R.K.MAHESHWARI

GM-Finance

U.C. AGARWAL

D.P. AGARWAL

R. DAYAL

ACHINTYA KARATI

NISHANT ARYA

Directors

S. KARTIK

Company Secretary &
Compliance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

₹ in lacs

	31-03-11		31-03-10	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation and extraordinary items		5664.33		3281.65
Adjustment for				
Depreciation /Amortised exp.	3508.58		3808.30	
Interest/Dividend	556.82		378.94	
Exchange fluctuation relating to long term loan	31.53		-	
Profit on sale of Fixed Assets (Net)	(271.88)		17.09	
Bad debts Written off/ Provision for doubtful debts	3.66	3828.71	-	4204.33
Operating Profit before working Capital changes		9493.04		7485.98
Adjustment for				
Trade and other receivables	(1401.12)		(467.04)	
Inventories	(2054.45)		(509.73)	
Trade payables	1421.51	(2034.06)	1968.67	991.91
Cash generated from operations		7458.98		8477.89
Direct taxes paid	(1496.87)	(1496.87)	(963.68)	(963.68)
Cash flow before extraordinary Activities		5962.11		7514.21
Extraordinary items		-		-
Net Cash from Operating Activities		5962.11		7514.21
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed Assets	(11056.77)		(4943.05)	
Sale of Fixed Assets	1120.70		71.39	
Interest received	122.01		83.29	
Dividend received	4.93		4.36	
Net cash used in Investing Activity		(9809.13)		(4784.01)
		(3847.02)		2730.20
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	2749.65		(379.95)	
Proceeds from Short Term Borrowings	2718.05		(472.91)	
Deferred Payment/Interest Free Sales Tax Loan (Net)	(717.27)		(1102.03)	
Interest Paid	(631.68)		(499.79)	
Dividend Paid	(322.14)		(214.25)	
Net Cash Flow from financing activities		3796.61		(2668.93)
Net increase in Cash equivalents		(50.41)		61.27
Cash and Cash equivalents (opening balance)		112.98		51.71
Cash and Cash equivalents (closing balance)		62.57		112.98

NOTES:

- The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard-3 on "Cash flow statement".
- Cash and Cash equivalents consist of Cash in hand, balance with banks and ₹21.24 Lacs (P.Y. ₹18.65 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Trade and other receivables include loans and advances.
- The previous year figures have been regrouped / rearranged wherever considered necessary.
- Figures in bracket represents cash outflow.

As per our report attached.

For **MEHRA GOEL & Co.**
Chartered Accountants**R.K.MEHRA**

Partner

M.No-6102

FRN-000517N

Place : Gurgaon (Haryana)

Date : 15-04-2011

S.K.ARYAChairman &
Managing Director**ANAND SWAROOP**

President & CFO

R.K.MAHESHWARI

GM-Finance

U.C. AGARWAL**D.P. AGARWAL****R. DAYAL****ACHINTYA KARATI****NISHANT ARYA**

Directors

S. KARTIKCompany Secretary &
Compliance Officer

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ in lacs

	31-03-11	31-03-10
SCHEDULE 1 : SHAREHOLDERS' FUND		
SHARE CAPITAL		
A. Authorised		
2,40,00,000 Equity Shares of ₹5/- each	1200.00	1200.00
30,00,000 Preference Shares of ₹10/-each	300.00	300.00
	1500.00	1500.00
B. Issued, Subscribed and Paid Up		
216,50,000* Equity Shares of ₹5/- each	1082.50	1082.50
	1082.50	1082.50
* Includes 108,25,000 issued as bonus shares out of general reserve		
RESERVES AND SURPLUS		
A. General Reserve		
As per last Balance Sheet	1213.75	988.75
Add : Transferred from Profit & Loss Account	400.00	225.00
	1613.75	1213.75
B. Profit & Loss Account	9839.48	6912.23
	11453.23	8125.98
SCHEDULE 2 : LOAN FUNDS		
SECURED LOANS		
From Banks		
- Working Capital Loan*	3929.02	1210.97
Term Loans From Banks**		
- In Foreign Currency	5461.40	1858.31
- In Rupee	1161.52	1948.19
Vehicle Loans***	230.58	145.96
	10782.52	5163.42

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

** Secured by first and exclusive charge on the fixed assets purchased / to be purchased out of loan facility of the company finance by bank, ₹4460 lacs (P.Y. NIL) further secured by hypothecation of existing plant & machinery of the company with 0.50 cover including, without limitation, its movable plant and machinery, furniture and fixture, equipment, computer hardware, computer software, machinery spares, tools and accessories and others movables.

*** Loans from Banks and Non-Banking Financial Companies, secured by hypothecation of vehicles financed.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 3 : FIXED ASSETS

₹ in lacs

Description	Gross Block			Depreciation			Net Block			
	As at 1.4.2010	Additions during the year**	Adjustment/ Deduction	Total as at 31.03.2011	As at 1.4.2010	For the year*	Adjustment/ on sales*	Total as at 31.03.2011	As at 31.03.2011	As at 31.03.2010
TANGIBLE ASSETS										
Land (Freehold)	211.10	0.00	0.00	211.10	0.00	0.00	0.00	0.00	211.10	211.10
Land (Leasehold)	44.19	0.11	0.00	44.30	0.58	2.95	0.00	3.53	40.77	43.61
Building	3418.02	727.01	0.00	4145.03	643.47	115.12	0.00	758.59	3386.44	2774.55
Plant & Machinery	37961.92	7753.17	1903.23	43811.86	21543.20	3131.78	1066.78	23608.20	20203.66	16418.72
Furniture, Fixtures & Office Equipments	519.76	46.10	69.20	496.66	377.24	51.87	68.74	360.37	136.29	142.52
Computer & Computer Systems	435.51	20.95	27.04	429.42	339.71	45.82	26.84	358.69	70.73	95.80
Vehicles	554.08	66.93	61.55	559.46	259.84	95.61	49.84	305.61	253.85	294.24
Sub Total	43144.58	8614.27	2061.02	49697.83	23164.04	3443.15	1212.20	25394.99	24302.84	19980.54
INTANGIBLE ASSETS										
Technical Knowhow.	314.34	2.05	0.00	316.39	262.03	20.45	0.00	282.48	33.91	52.31
Computer Software	179.01	49.92	0.00	228.93	83.15	60.18	0.00	143.33	85.60	95.86
Sub Total	493.35	51.97	0.00	545.32	345.18	80.63	0.00	425.81	119.51	148.17
TOTAL	43637.93	8666.24	2061.02	50243.15	23509.22	3523.78	1212.20	25820.80	24422.35	20128.71
Previous year	41158.71	5718.84	3239.62	43637.93	22851.99	3808.30	3151.14	23509.22	20128.71	18306.72
Capital work in progress (incl. advance for capital goods, unsecured considered good ₹1322.77 Lacs; PY ₹57.51 Lacs)									2897.59	99.89
Addition to Plant & Machinery/capital work in progress is net of ₹391.97 lacs (P.Y. ₹148.34 Lacs) on account of exchange fluctuation (net).										

*Includes ₹15.20 Lacs Depreciation capitalized during the year.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	₹ in lacs	
	31-03-11	31-03-10
SCHEDULE 4 : INVESTMENTS		
Long Term Investments:		
Trade - Unquoted (Fully paid up)		
60,000 Equity Shares of ₹10/- each in Inapex Auto Products Exports Limited	6.00	6.00
20,85,000 Equity Shares of ₹10/- each in Nagata India Ltd.	208.50	208.50
	214.50	214.50
Others - Quoted (Fully paid up)		
19,300 Equity Shares of ₹10/- each in Haryana Financial Corporation	(6.75)	(6.75)
28,900 Equity Shares of ₹10/- each in Canara Bank	10.12	10.12
11,150 Equity Shares of ₹5/- each in Maruti Suzuki India Ltd.	13.94	13.94
	30.81	30.81
Less:- Provision for diminution	6.75	6.75
	24.06	24.06
Total	238.56	238.56
Aggregate Market Value of Quoted Investments (Including cost net of provision for diminution where market value not available)	321.84	276.48
SCHEDULE 5 : CURRENT ASSETS, LOANS & ADVANCES		
Inventory:		
Raw Material	2559.99	1707.95
Stock in Process	1287.88	643.77
Finished Goods	499.02	378.78
Stores & Spares	874.90	471.36
Scrap	34.90	8.48
Raw Material in Transit	8.10	-
	5264.79	3210.34
Sundry Debtors (Unsecured, Considered Good)		
Debts more than Six Months	38.54	-
Others	5160.87	4654.35
	5199.41	4654.35
Cash & Bank Balances		
Cash on Hand	1.57	2.05
Balances with Scheduled Banks		
- In Current Account	34.16	86.65
- In Fixed Deposit Account Including Interest Accrued (Under Banks Lien ₹0.55 lacs ;P.Y. ₹0.55lacs)	5.60	5.63
- In Unpaid Dividend Account	21.24	18.65
	62.57	112.98
Loans & Advances (Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	1372.55	988.52
Balance of Cenvat/service tax	1902.82	1434.45
	3275.37	2422.97

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ in lacs

	31-03-11	31-03-10
SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors (Refer Note No.5, Schedule 13)	13935.33	12561.89
Advance from Customers	228.91	465.94
Other Liabilities	1364.13	806.95
Interest Accrued but not due on Loans	70.18	18.10
Unclaimed Dividend*	21.24	18.62
	15619.79	13871.50
B. Provisions		
Proposed Dividend	433.00	324.75
Corporate Dividend Tax	70.24	55.20
Provision for Income Tax (net)	259.72	131.05
	762.96	511.00
	16382.75	14382.50
* Does not include any amount, due and outstanding , to be credited to Investor Education and Protection fund		
SCHEDULE 7 : SALES & OTHER INCOME		
Sales including Excise Duty		
Finished Goods/Job Work	113153.11	84097.78
Other Sales	5729.52	3864.21
	118882.63	87961.99
Other Income		
Rent Received (TDS ₹2.91lacs., P.Y.4.72 Lacs)	28.92	28.92
Interest (TDS ₹10.14 Lacs, P.Y. ₹12.54 Lacs)	122.01	83.29
Dividend on Long Term		
- Trade investments	1.20	1.50
- Others	3.73	2.86
Miscellaneous Receipts	123.15	111.64
Profit on Sale of Assets	278.01	2.88
	557.02	231.09
SCHEDULE 8: INCREASE / (DECREASE) IN STOCKS		
Opening Stocks :		
Work in Process	643.77	787.20
Finished Goods	378.78	128.18
Scrap	8.48	0.42
	1031.03	915.80
Less : Closing stocks :		
Work in Process	1287.88	643.77
Finished Goods	499.02	378.78
Scrap	34.90	8.48
	1821.80	1031.03
Increase / (Decrease) in Stocks	790.77	115.23
Excise Duty on Increase / Decrease of finished Goods stocks	-31.90	31.76
	758.87	146.99

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ in lacs

	31-03-11	31-03-10
SCHEDULE 9 : EMPLOYEE REMUNERATION & BENEFITS		
Salaries,Wages, Allowances & other benefits	4763.06	3672.14
Contribution to ESI, PF,& Other Funds	218.47	113.90
Staff Welfare Expenses	446.31	317.47
Group/Mediclaim Insurance	41.45	27.26
	5469.29	4130.77
SCHEDULE 10 : MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES		
Stores Consumed	1236.40	1103.82
Power & Fuel	1928.11	1413.13
Royalty	108.40	80.87
Technical Services	76.87	18.59
Repair & Maintenance		
- Machinery	1296.68	1166.26
- Building	114.33	169.43
- Others	171.60	143.73
Rent (including land lease rent)	69.44	50.54
Travelling & Conveyance	146.25	119.52
Communication Expenses	35.96	35.36
Printing & Stationery	75.39	66.39
Rates & Taxes	27.50	23.44
Insurance	25.15	24.26
Packing,Freight & Forwarding Charges	374.08	262.49
Bad Debts written Off	3.66	-
Loss on sale/Discarding of Fixed Assets	6.13	19.97
Other Miscellaneous Expenses	399.43	315.05
Exchange Fluctuation (net)	32.83	-
	6128.21	5012.85
SCHEDULE 11 : FINANCIAL CHARGES		
Interest		
- on Term Loans	419.74	347.27
- on Others	264.02	359.34
Cash Discount	715.07	520.75
Exchange Fluctuation	31.53	-
	1430.36	1227.36

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company.

2. USE OF ESTIMATES

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

3. RECOGNITION OF INCOME / EXPENDITURE

All income & expenditure having a material bearing on the financial statements is accounted for on an accrual basis and provision is made for all known losses and liabilities.

4. SALES

Sales are recognized on dispatch of goods from the factory/Godown and are net of discounts but exclude sales tax.

5. FIXED ASSETS

Fixed assets are stated at cost, net of modvat / cenvat, less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Borrowing cost relating to the qualified assets for the period up to the date of acquisition or completion is capitalized. Adjustments arising from exchange rate variations relating to borrowing attributable to the fixed assets are capitalized.

Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

Advance paid towards the acquisition of fixed assets, and the cost of assets not ready to put to use before the year end, are disclosed under capital work in progress.

6. INTANGIBLE ASSETS

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

7. IMPAIRMENT OF ASSETS

Carrying amount of cash generating units/ assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

8. DEPRECIATION

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

Dies, Fixtures & Special Purpose Machine*

Over the amortization life, taken by the customer subject to minimum, as prescribed in schedule XIV to the companies act 1956 and on other addition on or after 01.4.07, 3 - 5 Years

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

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

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

*Included in plant & machinery

9. INVENTORY

Inventories are valued at lower of cost or net realizable value. Cost of raw material is determined by using first in first out method. However, scrap is valued at net realizable value. Finished goods and work in process include cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

10. INVESTMENT

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

11. DIVIDEND

Dividend on investments is accounted for as and when the right to receive is established.

12. FOREIGN EXCHANGE TRANSACTIONS

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

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

13. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

14. EMPLOYEE BENEFITS

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

- ii. The company has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through provident fund commissioner and Superannuation Fund administered through Life Insurance Corporation of India and the company's contribution are charged to revenue every year.
- iii. Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.
- iv. The company has defined benefit plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an Actuarial valuation at the end of the year. Gratuity Trust is administered through Life Insurance Corporation of India.
- v. Termination benefits are recognized as an expense immediately.
- vi. Gain or Loss arising out of actuarial evaluation are recognized immediately in the profit and loss account as income or expense.

15. CLAIMS

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

16. EXCISE DUTY

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

17. INCOME TAX

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

In accordance with Accounting Standard 22- accounting for Taxes on Income, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and the tax laws that have been enacted or substantially enacted as of the balance sheet date.

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

18. LEASE OBLIGATIONS

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

19. PROVISION AND CONTINGENT LIABILITY

Show cause notices issued by various government authorities are not considered as obligation. when the demand notice are raised against such show cause notice and are disputed by the company then these are classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

20. FINANCIAL DERIVATIVE TRANSACTIONS

In respect of the Financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to profit & Loss account. The contracts entered into are marked to market at year end and the resultant profit / loss is charged to profit & loss account.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 13: NOTES ON ACCOUNTS

	₹ in lacs	
	2010-11	2009-10
1. Contingent Liabilities not provided for		
- Guarantees issued by Banks for letters of credit	561.36	99.45
- Central Excise (net of amount paid under protest)	3219.01	3262.16
- Service tax	12.11	10.24
- Income Tax Demand	862.09	-
- External development charges amounting to ₹152.82 lacs claimed by the Director Town & Country Planning, Government of Haryana, relating to Company's property situated at Mohammadpur, Jharsa, Sector-36, Gurgaon. The company has deposited 25% of the claim amounting to ₹38.20 lacs (P.Y.38.20 Lacs) during the financial year 2004-05.		
The Supreme Court of India vide its order dated 6th October, 2010 allowed the company to make a fresh representation to Director Town and Country Planning, Haryana and if not satisfied with the order of Director TCP, is free to approach High Court. As directed by the Hon'ble Supreme Court, the Company made representation to TCP in the stipulated time and has also received the order. The company is not satisfied with the order of Town and Country Planning and approaching High Court shortly against the order. No provision for the balance amount is considered necessary by the company.		
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances).	5480.20	136.69
3. Consumption of Raw Materials and components has been computed by adding purchase to the opening stock and deducting closing stock verified Physically by the management		
4. Deferred payment represents amount received from customers for dies to be amortised on components supplied to them, amount of excise duty Modvat/ Cenvat on dies adjustable as Modvat /Cenvat utilised against supplies to Customers and amount of vehicles sold by Maruti Suzuki India Ltd.(Secured by hypothecation of specific cars).		
5. In some cases, the company has received intimation from micro & small enterprises under "The micro, small and medium Enterprises Development Act 2006". The company has certified that as a policy the payment to suppliers is made within 30 days. The amount remaining unpaid as at 31st March 2011 was ₹382.92 Lacs (P.Y. ₹406.14 Lacs) No payments beyond the appointed date were noticed. No interest was paid or payable under the Act.		
6.a Remuneration of Managing Director		
Salary & Allowances	91.68	91.68
Commission	149.81	101.82
Other perquisites	28.32	25.29
Contribution to provident & other funds	6.36	6.36
	276.17	225.15
6b. Computation of net profit in accordance with section 198 read with section 309(5) of the Companies Act 1956:		
Profit before Taxation	5664.33	3281.65
Add		
- Depreciation as per Books of Accounts	3508.58	3808.03
- Managerial Remuneration	276.17	225.15
- Loss on sale/discarding of fixed asset	6.13	19.97
- Bad Debts Written Off	3.66	-
	9458.87	7335.07
Less		
-Depreciation as per Section 350 of Companies Act,1956	3508.58	2829.18
-Profit on sale of Fixed Assets.	278.01	2.88
Net Profit for the year	5672.28	4503.00
Maximum Salaries , allowances, perquisites and commission allowed @ 5% p.a.	283.61	225.15

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	₹ in lacs	
	2010-11	2009-10
6c. Directors sitting Fee	2.30	1.05
7. The break-up of auditor's remuneration is as under*: -		
a) Audit fee	10.00	8.00
b) Tax audit fee	3.25	2.56
c) Taxation Matter	1.65	0.83
d) Others	5.50	5.53
	20.40	16.86
*excluding service tax		
8. Major components of deferred tax assets and liability arising on account of timing difference are as under:		
Timing difference on a/c of:		
a) Deferred Tax Liability		
- Difference between book depreciation & depreciation Under Income Tax Act 1961.	1110.14	968.85
- Claim under Sec43 (B) of Income tax Act	586.69	473.40
b) Deferred Tax Assets		
Disallowance under income tax act	37.19	46.11
c) Net Deferred Tax liability (a-b)	1659.64	1396.14
9. The Company is primarily engaged in the business of manufacturing of components for automobiles for Indian market which is governed by the same set of risk and returns. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17). Accordingly, segment information has not been disclosed.		

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

10. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

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

₹ in lacs

	2010-2011				2009-2010			
	Associate	Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total	Associate	Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total
Purchase of Capital Goods								
Maruti Suzuki India Limited	0.00			0.00	514.60			514.60
Neel Metal Products Limited		354.22		354.22		275.33		275.33
JBM Auto Limited		20.50		20.50		121.35		121.35
Total	0.00	374.72		374.72	514.60	396.68		911.28
Sale of Goods								
Maruti Suzuki India Limited	100991.73			100991.73	74943.00			74943.00
Neel Metal Products Limited		4586.50		4586.50		4223.69		4223.69
JBM Auto Limited		605.43		605.43		1179.22		1179.22
Jay Bharat Exhaust System Ltd.		9.82		9.82		25.23		25.23
JBM Industries Limited		3.85		3.85		2.86		2.86
Total	100991.73	5205.60		106197.33	74943.00	5431.00		80374.00
Sale of Capital Goods								
Maruti Suzuki India Limited	1046.16			1046.16		0.00		0.00
Neel Metal Products Limited		38.46		38.46		0.00		0.00
JBM Auto Limited		31.56		31.56		10.73		10.73
JBM Industries Limited		2.48		2.48		35.99		35.99
Total	1046.16	72.50		1118.66		46.72		46.72
Other Income								
Neel Metal Products Limited		44.06		44.06		61.83		61.83
JBM Auto Limited		0.21		0.21		0.26		0.26
Jay Bharat Exhaust System Ltd.		8.49		8.49		12.24		12.24
JBM Industries Limited		0.00		0.00		0.03		0.03
Total		52.76		52.76		74.36		74.36
Purchase of the Goods								
Maruti Suzuki India Limited	4432.56			4432.56	3601.58			3601.58
Neel Metal Products Limited		58191.92		58191.92		40456.73		40456.73
JBM Auto Limited		1900.20		1900.20		532.13		532.13
Jay Bharat Exhaust System Ltd.		3870.65		3870.65		4350.38		4350.38
JBM Industries Limited		0.28		0.28		118.05		118.05
Total	4432.56	63963.06		68395.63	3601.58	45457.29		49058.87

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ in lacs

	2010-2011				2009-2010			
	Associate	Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total	Associate	Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total
Interest Paid on Dies								0.00
Maruti Suzuki India Limited	0.00			0.00	119.32			119.32
Total	0.00			0.00	119.32			119.32
Others Expenses								
Maruti Suzuki India Limited	1856.53			1856.53	1473.37			1473.37
Neel Metal Products Limited		155.56		155.56		55.80		55.80
JBM Auto Limited		4.09		4.09				0.00
Jay Bharat Maruti Exhaust Ltd.		1.15		1.15				0.00
Mrs. Neelam Arya			16.20	16.20			16.20	16.20
Others				0.00		0.05		0.05
Total	1856.53	160.79	16.20	2033.52	1473.37	55.85	16.20	1545.42
Managerial Remuneration								
Mr. S.K. Arya			276.17	276.17			225.15	225.15
Total			276.17	276.17			225.15	225.15
Director Sitting Fees								
Mr. Nishant Arya			0.70	0.70			0.40	0.40
Total			0.70	0.70			0.40	0.40
Amount Recoverable								
Maruti Suzuki India Limited	732.05			732.05	1177.10			1177.10
Neel Metal Products Limited		905.30		905.30				
JBM Auto Limited		723.16		723.16		658.29		658.29
JBM Industries Limited		6.43		6.43		2.88		2.88
Total	732.05	1634.88		2366.94	1177.10	661.17		1838.27
Amount Payable								
Managerial Remuneration			103.77	103.77			62.20	62.20
Maruti Suzuki India Limited	564.65			564.65				0.00
Neel Metal Products Limited		5292.84		5292.84		3737.38		3737.38
JBM Auto Limited		246.01		246.01		0.00		0.00
Jay Bharat Exhaust System Ltd.		479.36		479.36		0.00		0.00
JBM Industries limited		40.92		40.92		220.24		220.24
Total	564.65	6059.14	103.77	6727.56	0.00	3957.62	62.20	4019.82

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ in lacs

		2010-11	2009-10		
11.	Maruti Suzuki India Ltd. (MSIL) has sold vehicles to the vendors and / or the employee of the vendor under the Maruti Car scheme "Hum Saath Saath". The EMI of vehicle sold to the vendors/ vendors employees has been accounted/ routed through the company.				
12.	Earning per share				
	Profit after Tax (₹In Lacs)	3830.49	2101.02		
	Weighted Average Number of Equity Shares Outstanding During the Year	21650000	21650000		
	Nominal Value of share(In Rupees)	5	5		
	Earning per share (₹)	17.69	9.70		
13.	Retirement Benefits				
A	The Company has calculated the various benefits provided to employees as under-				
a.	Provident Fund (Including Pension Scheme)				
b.	Superannuation Fund				
	During the year the Company has recognised the following amounts in the Profit and Loss account:-				
	Employers Contribution to Provident Fund	120.82	92.93		
	Employers Contribution to Superannuation Fund	3.04	2.81		
B.	State Plans				
	Employers contribution to Employee State Insurance.				
	During the year the Company has recognised the following amounts in the Profit and Loss accounts:-				
	Employers contribution to Employee State insurance*	15.07	4.50		
	* Included in Contribution to Provident and other funds under Employee Remuneration and Benefits (Refer schedule 9)				
C.	Defined Benefit Plans				
a.	Contribution to Gratuity Funds - Employee's Gratuity Fund.				
b.	Leave Encashment/ Compensated Absence.				
	In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.	2010-11	2009-10		
i)	Actuarial Assumptions	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
	Discount Rate (per annum)	8%	8%	7.8%	7.8%
	Rate of increase in compensation levels	6%	6%	6%	6%
	Rate of return on plan assets.	-	9.25%	--	9.25%
	Expected Average remaining working lives of employees (years)	23.15	23.15	23.35	23.35
ii)	Change in the obligation during the year ended 31st March, 2011				
	Present value obligation as at March, 31 2010	249.46	208.12	248.67	193.09
	Impact of Transition provision of AS-15	-	-		
	Interest cost	19.45	16.23	18.65	14.48
	Past Service cost	-	51.52		
	Current service cost	64.53	28.56	43.17	22.55
	Curtailment cost	-	-		
	Settlement cost	-	-		
	Benefits Paid	(30.87)	(14.47)	(76.54)	(6.59)
	Actuarial (gain)/loss on Obligations	4.76	3.44	15.51	(15.41)

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

i)	Actuarial Assumptions	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
	Present value obligation as at March, 31, 2011	307.34	293.41	249.46	208.12
iii)	Change in fair value plan Assets				
	Fair value of Plan Assets as at March, 31, 2010	-	267.47	-	215.41
	Expected return on Plan Assets	-	24.52	-	19.93
	Contributions	-	40	-	37.83
	Benefits Paid	-	(14.47)	-	6.58
	Actuarial gain/ (loss) on Obligations	-	-	-	0.88
	Fair value of Plan Assets as at March, 31, 2011	-	317.52	-	267.47
iv)	Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets				
	Present value obligation as at March, 31, 2011	307.34	293.41	249.46	208.12
	Fair value of Plan Assets as at March, 31, 2011	-	317.52		267.47
	Funded Status	-	24.10		59.35
	Present value of unfunded obligation as at March, 31, 2011	-	-		
	Unfunded Actuarial (gains)/ losses		-		
	Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(307.34)	24.10	(249.46)	59.35
v)	Expenses recognised in Profit and Loss Account				
	Current service cost	64.53	28.56	43.17	22.55
	Past Service cost	-	51.53	-	-
	Interest cost	19.46	16.23	18.67	14.48
	Expected return on Plan Assets	-	(24.53)		19.93
	Curtailment cost	-	-		
	Settlement cost	-	-		
	Net Actuarial (gain)/ loss recognised during the year	4.76	3.44	15.51	16.29
	Total Expense recognized in Profit and Loss Account	88.75	75.24	77.33	0.81

* Included in Salaries, Wages, Allowances and Other Benefits under Employee Remuneration and Benefits (Refer schedule 9)

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

14. Derivative contracts entered into by the company and outstanding as on 31st March 2011.

For Hedging currency and interest Rate Related Risk:-

Nominal amount of derivatives including forward contracts entered into by the company and outstanding as on 31.03.2011 amount to ₹4933.01 Lacs (P.Y. ₹914.20 Lacs)

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

Foreign currency exposure that are not hedged by derivative instruments as on 31.03.2011 amounts to ₹528.40 Lacs (P.Y. ₹1043.55 Lacs).

Loss provided for ₹84.16 Lacs (net) (P.Y. Nil) in respect of outstanding derivative contracts at the Balance Sheet date by marking them to market.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

₹ in lacs

	2010-11	2009-10
15. Expenses for tool & Dies Capitalised		
Raw Material	27.05	22.47
Electricity Exp.	6.54	1.88
Consumable	3.13	1.73
Wages	9.72	3.94
Depreciation	15.19	11.62
Other Expenses	20.57	6.02
Total	82.20	47.71

16. Previous year figures have been regrouped, reworked, rearranged and reclassified wherever considered necessary.

17. Additional information pursuant to the provisions of Para 3 and 4 of part II of Schedule VI To the Companies Act, 1956 is as under:

A. Product, Capacity and Production (as certified by the Management)

Products	Licenced capacity	Installed capacity **	Actual Production
Sheet Metal components,*			NOS.
Assemblies & sub assemblies	N.A.	60000 MT	37881832*
(Previous year)	(N.A.)	(60000 MT)	(29765350)
Muffler assemblies	N.A.	-	868315
(Previous year)	(N.A.)	-	(1110737)
Fuel Neck (Nos.)		1280000	1170144
(Previous year)		(780000)	(757920)
Rear Axle (Nos.)		1160000	755517
(Previous year)		(845000)	(715132)
Dies & Tools (Nos.)			67
(Previous year)			(118)

* Includes components produced on job work 3713464 Nos. (Previous year 2576814 Nos.) excludes components produced for interplant 21877831 nos. (previous year 16428667 nos. respectively)

** On 3 shift basis

B. Opening Stock, Closing Stock and Sales

Products	Opening Stock		Closing Stock		Sales	
	Qty. (Nos)	Value (₹ in lacs)	Qty. (Nos)	Value (₹ in lacs)	Qty. (Nos)	Value (₹ in lacs)
Sheet Metal Components						
Assemblies & sub assemblies**	160417	196.44	278247	283.55	37764002	83952.04*
(Previous year)	(34279)	(67.22)	(160417)	(196.44)	(29639212)	(56545.51) *
Muffler assemblies	1064	11.87	1758	16.97	867621	9592.88
(Previous year)	(2557)	(27.18)	(1064)	(11.87)	(1112230)	(11807.53)
Rear Axle	6675	126.90	7006	119.05	755186	14967.14
(Previous year)	(2180)	(33.78)	(6675)	(126.90)	(710637)	(11512.50)
Fuel Neck	13175	43.56	16058	22.50	1167261	4114.11
(Previous year)	NIL	NIL	(13175)	(43.56)	(744745)	(2951.47)
Dies & Tools (Nos.)					67	526.94
(Previous year)					(118)	(1280.77)

* Include job work receipts ₹522.64 Lacs (P. Y. ₹433.13 Lacs); components 3713464 Nos.(P.Y.2576814 nos)

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

C. Consumption of raw materials and Components

	2011			2010		
	Unit	Qty.	Value (₹ in lacs)	Unit	Qty.	Value (₹ in lacs)
1 Components	Nos.	194150154	49279.10	Nos.	160612684	34362.54
2 Metal						
- Sheet	M.T.	4693.254	2585.48	M.T.	6180.602	3090.36
- Blanks	Nos.	24762206	30627.18	Nos.	18146608	23117.41
3 Pipes	M.T.	1641.933	1340.63	M.T.	1537.063	1500.95
4 Others			1311.91			1166.89

D. C.I.F. value of Imports

	2011 (₹ in lacs)	2010 (₹ in lacs)
1 Raw Materials	1862.67	1472.44
2 Stores & spares	9.61	63.68
3 Capital Goods	4742.21	478.12

E. Value of imported and indigenous raw materials, spares and components consumed

	2011		2010	
	Value (₹ in lacs)	% age	Value (₹ in lacs)	% age
a. Raw Material				
(i) Imported	2067.98	2.43%	1692.55	2.68%
(ii) Indigenous	83076.32	97.57%	61545.60	97.32%
	85144.30	100.00%	63238.15	100.00%
b. Stores & Spares *				
(i) Imported	120.17	6.15%	107.67	5.81%
(ii) Indigenous	1834.56	93.85%	1746.28	94.19%
	1954.73	100.00%	1853.95	100.00%

* Includes spares consumed for machinery repairs and maintenance ₹718.32 Lacs (Previous year ₹750.13 lacs).

F. Expenditure incurred in Foreign Currency (on cash basis)

	2011 (₹ in lacs)	2010 (₹ in lacs)
Travelling	14.20	21.24
Technical Assistance & Services/ Know-how/Royalty	108.14	52.58
Interest	101.77	170.71

G. Earnings in Foreign Exchange (on Accrual basis)

Nil

Nil

As per our report attached.
For **MEHRA GOEL & Co.**
Chartered Accountants

R.K. MEHRA
Partner
M.No-6102
FRN-000517N
Place : Gurgaon (Haryana)
Date : 15-04-2011

S.K. ARYA
Chairman &
Managing Director

ANAND SWAROOP
President & CFO

R.K. MAHESHWARI
GM-Finance

U.C. AGARWAL
D.P. AGARWAL
R. DAYAL
ACHINTYA KARATI
NISHANT ARYA
Directors

S. KARTIK
Company Secretary &
Compliance Officer

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

I. Registration Details:

Registration No. State Code:

Balance Sheet Date:
Date Month Year

II. Capital Raised During the Year (Amount in ₹ Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilization and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities: Total Assets:

Sources of Funds

Paid-Up Capital: Reserves & Surplus:

Secured Loans: Deferred Tax Liabilities:

Application of Funds

Net Fixed Assets: Investments:

Net Current Assets: Misc. Expenditure:

Accumulated Losses:

IV. Performance of Company (Amount in ₹ Thousands)

Turnover: Total Expenditure:

Profit/Loss Before Tax: Profit/Loss After Tax:
(Please tick appropriate box + for Profit, - for Loss)

Earning Per Share in ₹ Dividend Rate %:

V. Generic names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/>	S H E E T M E T A L C O M P O N E N T S
<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/>	A S S E M B L I E S & S U B - A S S E M B L I E S
<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/>	F U E L N E C K
<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/>	R E A R A X L E

As per our report attached.
For **MEHRA GOEL & Co.**
Chartered Accountants

R.K.MEHRA
Partner
M.No-6102
FRN-000517N
Place : Gurgaon (Haryana)
Date : 15-04-2011

S.K.ARYA
Chairman &
Managing Director

ANAND SWAROOP
President & CFO

R.K.MAHESHWARI
GM-Finance

U.C. AGARWAL
D.P. AGARWAL
R. DAYAL
ACHINTYA KARATI
NISHANT ARYA
Directors

S. KARTIK
Company Secretary &
Compliance Officer

तुलन पत्र ३१ मार्च, २०११ तक का

₹ लाखों में

	अनुसूची	३१.०३.११	३१.०३.१०
अ. निधियों के स्त्रोत			
१ अंशधारियों की निधियाँ	१		
अंश पूंजी		१०८२.५०	१०८२.५०
संचय तथा अधिशेष		११४५३.२३	८१२५.६८
		१२५३५.७३	६२०६.४८
२ ऋण निधियाँ	२		
सुरक्षित ऋण		१०७८२.५२	५१६३.४२
३ स्थगित भुगतान		०.००	७१७.२६
४ स्थगित कर दायित्व		१६५६.६४	१३६६.१४
		२४६७७.८६	१६४८५.३०
ब. निधियों का उपयोग			
१ अचल परिसम्पत्तियाँ	३		
अ. सकलमान		५०२४३.१५	४३६३७.६३
ब. पट्टे पर परिसम्पत्तियाँ		२५८२०.८०	२३५०६.२२
स. निवल मान		२४४२२.३५	२०१२८.७१
द. चालू पूंजीगत कार्य अग्रिम सहित		२८६७.५६	६६.८६
		२७३१६.६४	२०२२८.६०
२ निवेश	४		
३ चालू परिसम्पत्तियाँ, ऋण एवं अग्रिम	५		
वस्तु सूचियाँ		५२६४.७६	३२१०.३४
विविध देनदार		५१६६.४१	४६५४.३५
नकदी एवं बैंक शेष		६२.५७	११२.६८
ऋण एवं अग्रिम		३२७५.३७	२४२२.६७
		१३८०२.१४	१०३६६.६४
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निवल चालू परिसम्पत्तियाँ		१६३८२.७५	१४३८२.५०
		- २५८०.६१	- ३६८२.८६
		२४६७७.८६	१६४८५.३०
महत्वपूर्ण लेखांकन नीतियाँ	१२		
लेखों पर टिप्पणियाँ	१३		

हमारी संलग्न रिपोर्ट के अनुसार

कृते मेहरा गोयल एण्ड कम्पनी
सनदी लेखापाल

आर. के. मेहरा

भागीदार

एम. नं. - ६१०२

एफ.आर.एन. - ०००५१७एन

स्थान : गुडगाँव

तारीख : १५-०४-२०११

एस. के. आर्य

सभापति एवं प्रबंध निदेशक

आनन्द स्वरुप

कार्यकारी उपाध्यक्ष

आर.के. महेशवरी

जी.एम. - वित्त

यू.सी. अग्रवाल

डी.पी. अग्रवाल

र. दयाल

अचिन्तय कराती

निशांत आर्य

निदेशक

एस. कार्तिक

कम्पनी सचिव एवं आज्ञाकरिता अधिकारी

लाभ हानि खाता ३१ मार्च, २०११ को समाप्त वर्ष का

₹ लाखों में

	अनुसूची	३१.०३.११	३१.०३.१०
आय	७		
बिक्री		११८८८२.६३	८७६६१.६६
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निवल बिक्री		१०६०२६.१८	८०३२१.००
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माल में बढ़त/(घटत)	८	७५८.८७	१४६.६६
		१०७३४५.०७	८०६६६.०८
व्यय			
कच्चा माल उपयोगिता		८५१४४.३०	६३२३८.१५
कर्मचारियों का पारिश्रमिक एवं हितलाभ	६	५४६६.२६	४१३०.७७
निर्माणक, प्रशासनिक एवं अन्य व्यय	१०	६१२८.२१	५०१२.८५
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मूल्यहास		३५०८.५८	३८०८.३०
		१०१६८०.७४	७७४१७.४३
कर से पहले लाभ		५६६४.३३	३२८१.६५
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– पिछले वर्ष के लिए		(२१.६६)	– ७.३७
– चालू वर्ष के लिए		१५६२.००	१०५५.००
– स्थगित कर		२६३.५०	१३३.००
कर के बाद लाभ		१८३३.८४	११८०.६३
पिछले वर्षों से लाया गया शेष		६६१२.२३	५४१६.१६
विनियोजन के लिए उपलब्ध लाभ		१०७४२.७२	७५१७.१८
विनियोजन			
प्रस्तावित लाभांश		४३३.००	३२४.७५
लाभांश कर		७०.२४	५५.२०
सामान्य संचय में अंतरित		४००.००	२२५.००
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मूल एवं तनूकृत प्रति अंश आय (₹)		१७.६६	६.७०
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महत्वपूर्ण लेखांकन नीतियाँ	१२		
लेखों पर टिप्पणियाँ	१३		

हमारी संलग्न रिपोर्ट के अनुसार

कृते मेहरा गोयल एण्ड कम्पनी
सनदी लेखापाल

आर. के. मेहरा

भागीदार

एम. नं. – ६१०२

एफ.आर.एन. – ०००५१७एन

स्थान : गुडगाँव

तारीख : १५-०४-२०११

एस. के. आर्य

सभापति एवं प्रबंध निदेशक

आनन्द स्वरूप

कार्यकारी उपाध्यक्ष

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यू.सी. अग्रवाल

डी.पी. अग्रवाल

र. दयाल

अचिन्तय कराती

निशांत आर्य

निदेशक

एस. कार्तिक

कम्पनी सचिव एवं आज्ञाकरिता अधिकारी



OUR FACILITIES



E-COMMUNICATION REGISTRATION FORM

(For members holding shares in physical mode)

To,
Company Secretary
Jay Bharat Maruti Limited
601, Hemkunt Chambers
89, Nehru Place
New Delhi - 110019

Dear Sir/Madam,

RE: Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register/change my e-mail id in your records for sending communication through e-mail, as per details hereunder:

Folio No. :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :
.....
.....

E-mail ID :

Date:

Signature of the first holder

Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio/DP ID & Client ID
- 2) The form is also available on the website of the company www.jbm-group.com
- 3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address in this form. Unless the email Id appearing in the records is changed by you by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned email ID
- 4) **If shares held in electronic mode, kindly register / update e-mail id through your DP**



NOTICE

NOTICE is hereby given that 24th Annual General Meeting of the members of Jay Bharat Maruti Limited will be held on Thursday, the 18th day of August, 2011 at Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 31st March 2011 and the Profit & Loss Account for the year ended 31st March 2011 and the Report of the Directors' and Auditors' thereon.
2. To declare dividend.
3. To appoint director in place of Mr. Uday Chand Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint director in place of Mr. Achintya Karati, who retires by rotation and being eligible offers himself for re-appointment.
5. To reappoint M/s Mehra Goel & Company, Chartered Accountants, the retiring Auditors of the Company, as Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, in addition to all borrowings by the Directors for and on behalf of the company authorised by resolution passed at the Annual General Meeting held on 16th August 2010, namely, the borrowing of ₹300,00,00,000 (Rupees Three Hundred Crores Only) the Company hereby consent to the further borrowing by the Board of Directors for and on behalf of the Company from time to time of further sums of money amounting in the aggregate to a sum of not more than ₹100,00,00,000 (Rupees One Hundred Crores Only) (excluding temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business), that is to say, to the total borrowing by the Board of Directors for and on behalf of the Company of an aggregate sum not exceeding ₹400,00,00,000 (Rupees Four Hundred Crores Only) notwithstanding that the monies already borrowed by the Company (apart from such temporary loans obtained or to be obtained from the Company's bankers) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."
7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/sanctions as may be required under any rules/regulations, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage/charge / lease or hypothecate all or any of the movable or immovable properties, both present and future or whole of the undertaking of the Company wheresoever situated to secure the borrowing in any manner upto an aggregate amount of ₹400,00,00,000 (Rupees Four Hundred Crores Only) (apart from such temporary loans obtained or to be obtained by the Company from their bankers to the ordinary course of its business) which may be made by the Company by placement of Non-convertible Debenture, Bonds or any other financial instrument or any assistance from any Financial Institution/State Financial Institution/ Banks etc. in any form.
FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to finalise the documents for creating mortgage/charge /lease or hypothecation and accepting or making any alteration, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary for the purpose of giving effect to this resolution."

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

S. Kartik
Company Secretary

Place: New Delhi
Date: 14.07.2011

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll only instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Members are requested to bring their copy of Annual Report to the Meeting.
3. Members/proxies should bring the Attendance Slip for attending the meeting and should kindly be handed over at the entrance of the meeting place. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are requested to write their Client ID and DP ID numbers OR Folio Number, whichever is applicable in the attendance slip for attending the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays & Sundays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. (a) The Company has notified closure of Register of Members and Transfer Books thereof from Friday, 5th August 2011 to Thursday, 18th August 2011 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares held in physical form. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose as on that date.
(b) Members are advised to encash Dividend Warrants within the initial validity period. During this period, dividend warrants shall be payable at par at the pre-designated branches of the Bank.
7. (a) To avoid the fraudulent encashment of dividend, members holding shares in physical form are requested to intimate the Company under the signature of the Sole/ First joint holder, the following information for printing on Dividend Warrants:
 - Name of sole/first joint holder and folio no.
 - Bank A/c Type and A/c no.
 - Bank Name, Branch & address (with pin code)(b) As per applicable guidelines of Depositories, the Company will be printing Bank Account's detail on dividend warrants or dividend shall be paid directly to bank through ECS, as per details furnished by Depositories for members holding shares in dematerialized form. The Company will not entertain any direct request

from any member for deletion of/change in such Bank details, since any change in details is to be advised by the member directly to their respective Depository Participants.

8. Shareholders holding shares in physical form may authorize the Company with their ECS mandate in the prescribed form for payment of dividend in ECS mode. The Form can be obtained either from the Company or from Share Transfer Agent. Requests for payment of dividend through ECS for the year 2010-2011 should be lodged with M/s. MCS Limited on or before 4th August 2011.
9. **Pursuant to Section 205-C of the Companies Act, 1956, dividend for the financial year ended 31st March 2004 (2003-04) shall be transferred to the Investor Education and Protection Fund of the Central Government on 31st August 2011. No claim henceforth shall lie in respect thereof against the Company/ or Government hereafter.**
10. Non-Resident Indian Members are requested to inform immediately:
 - a) The change in the Residential status on return to India for permanent settlement;
 - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier or any change therein.
11. As per Section 109A of the Companies Act, 1956 the shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination is to be made in Form 2B, which will be made available by the Company on request.
12. Members seeking any information or clarification on the Accounts or otherwise are requested to send their written queries to the Company, at least one week before the date of the meeting so that the information required may be made available.
13. The members may address their correspondence either to the Company at its registered office or to its Share Transfer Agent. Please quote your folio number, email address, telephone & fax numbers (if any) for prompt reply.
14. **Brief Profile of Directors retiring by rotation seeking re-election.**

Particulars	Mr. U. C. Agarwal	Mr. Achintya Karati
Date of Birth and Age	November 19, 1927 84 years	March 23, 1946 65 years
Appointed on	June 27, 1989	April 14, 2009
Qualifications	M.A. (Political Science), IAS	B.Com, LLB, CS
Directorship held in other Companies	Maharashtra Seamless Ltd.	<ul style="list-style-type: none"> • Uflex Ltd. • Shyam Telecom Ltd. • Sangam (India) Ltd. • J.K. Cement Ltd. • Delton Cables Ltd. • Tech Process Solutions Ltd.
Memberships/Chairmanships of the Committees	Maharashtra Seamless Ltd.	<ul style="list-style-type: none"> • Uflex Ltd. • Shyam Telecom Ltd. • Sangam (India) Ltd. • J.K. Cement Ltd. • Tech Process Solutions Ltd.
Shareholding	Nil	Nil

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

ITEM NO. 6

The Company may borrow money from time to time from banks, financial institutions and otherwise for its expanding operations. As per the provisions of Section 293(1) (d) of the Companies Act, 1956, Board of Directors of the Company can borrow money upto an amount equal to its paid-up capital and free reserves and any amount beyond this can be borrowed with the approval of the shareholders. At present, the Company has shareholders' approval to borrow an amount not exceeding ₹300 crores (excluding temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business). Considering the future requirements of the Company, your Directors have considered that approval of the shareholders be obtained for increase in the borrowing limits of the Company for an amount not exceeding ₹400 crores (excluding temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) at any one time. Your Directors recommend the resolution for your approval.

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

The Board recommends the resolution set out at item no: 06 of the notice for your approval.

ITEM NO. 7

The Company is required to provide security by way of creation of charge/mortgage or otherwise for repayment of amount borrowed and interest thereon. As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Company can create any charge against the property of the Company subject to the approval of the shareholders of the Company. At present, the Company has shareholders' approval for creation of charge against the property of the Company for an amount not exceeding ₹300 crores. Since, shareholders' approval is solicited for increase in the borrowing limits, it is proposed that limit for creation of charge/ mortgage be increased to the extent of the borrowing limit of ₹400 crores. Your Directors recommend the resolution for your approval.

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

The Board recommends the resolution set out at item no: 07 of the notice for your approval.

By Order of the Board
for **Jay Bharat Maruti Limited**

Place: New Delhi
Date: 14.07.2011

S. Kartik
Company Secretary



JAY BHARAT MARUTI LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 24th Annual General Meeting of the Company held on Thursday, 18th August 2011 at Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi - 110010, at 11:00 a.m.

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

Father's/Husband's Name _____

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

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

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

Note:

- Members/Proxies are requested to bring the duly filled in Attendance Slip to the 24th Annual General Meeting, to be handed over at the meeting.
- If you intend to appoint a proxy, please deposit duly filled Proxy Form either at the Registered Office of the Company or at the office of its Share Transfer Agent at least 48 hours before the meeting.



JAY BHARAT MARUTI LIMITED

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

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member(s) of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him. _____ resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 18th August, 2011 at Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi - 110010, at 11:00 a.m. and at any adjournment thereof.

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

Signed this _____ day of _____ 2011.

Signed by the said

Signature of the Proxy

Signature



Attested by the shareholder

No gift of any nature will be distributed at the Annual General Meeting



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

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



TRUST
SCALE VALUE
WEALTH



Jay Bharat Maruti Limited

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

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

email : corp@jbm.co.in www.jbm-group.com