



**JMT AUTO LIMITED**

**An Amtek Group Company**

**27th ANNUAL REPORT**

***2013 - 2014***



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## **IMPORTANT COMMUNICATION TO MEMBERS**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The e-voting period commences on Monday, September 22, 2014 (9:00 a.m. IST) and ends on Tuesday, September 23, 2014 (6:00 p.m. IST).

Visit us at: [www.jmtauto.com](http://www.jmtauto.com)

email Id: [jmt.cs@jmtauto.com](mailto:jmt.cs@jmtauto.com)



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Sanjay Chhabra  
Mr. Sanjay Tiku  
Mr. John Ernest Flintham  
Mr. Gautam Malhotra  
Mr. Anubhav Dham  
Mr. Ashok Mittal

**Chairman & Independent Director**  
**CEO & Whole Time Director**  
**Director**  
**Director**  
**Director**  
**Independent Director**

Company Secretary  
& Compliance Officer

**Ms. Mona K Bahadur**

Statutory Auditors

**M/s A C Gupta & Associates,**  
**Chartered Accountants**  
**New Delhi**

Bankers

**Axis Bank**  
**Bank of India**  
**HDFC Bank**  
**IDBI Bank Limited**  
**L & T Finance Limited**  
**State Bank of India**  
**TATA Capital Financial Services**

Registrar & Share Transfer

**M/s C B Management Services (P) Ltd**  
**P- 22, Bondel Road,**  
**Kolkata- 700 019**

Registered Office

**224, A.J.C. Bose Road,**  
**Room No. - 902, 9<sup>th</sup> Floor,**  
**Krishna Building,**  
**Kolkata – 700 017**

Corporate & Administrative Office

**C-19 & 20, NS – 29-34, D-8-12**  
**7<sup>th</sup> Phase, Industrial Area,**  
**Adityapur,**  
**Jamshedpur – 832 109**

Corporate Identification Number (CIN)

**L42274WB1997PLC082620**

## FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

DESCRIPTION	2013-14	2012-13	2011-12	2010-11	2009-10
SALES & JOB WORK	28579.55	30684.65	36344.59	29176.69	19093.64
DEPRECIATION	1829.08	2162.67	1955.71	1817.90	1586.85
FINANCE COST	2148.50	1906.50	2035.17	1749.69	1795.67
EBIDTA	4582.54	5601.00	6344.60	5021.28	4014.24
PBT	604.96	1531.83	2353.72	1453.69	680.23
PAT	705.61	1202.08	1608.45	981.80	353.26
DIVIDEND	—	5%	10%	5%	2.5%
DIVIDEND PAYOUT	—	71.98	143.95	71.98	35.99

(Rs. In Lacs)

DESCRIPTION	As on 31.03.2014	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010
Net Fixed Asset	21089.40	21480.01	21676.50	17757.22	17698.74
Share Capital	1439.52	1439.52	1439.52	1439.52	1439.52
Reserves & Surplus	13518.90	12802.37	11674.87	10233.71	8836.11
Net worth	14958.42	14241.89	13114.39	11673.23	10275.63
Borrowings	17179.09	15837.66	16874.15	14996.59	15512.06

## KEY INDICATORS

DESCRIPTION	As on 31.03.2014	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010
EPS	4.90	8.35	11.17	6.82	2.45
Book Value per Share	103.91	98.93	91.10	81.09	71.38
Debt: Equity ratio	1.15:1	1.11:1	1.29:1	1.29:1	1.51:1
Net Profit Margin %	2.47	3.92	4.43	3.37	1.85



## NOTICE

The **27<sup>th</sup> Annual General Meeting** of JMT AUTO LIMITED will be held at Gyan Manch, 11 Pretoria Street, Kolkata-700 071 on Saturday, the **27<sup>th</sup> day of September, 2014** at **10.00 A.M.** to transact the following business: -

### ORDINARY BUSINESS

#### Item No.1- Adoption of Accounts

To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014 and the Balance Sheet as on that date together with the reports of the Board of Directors and Auditor's thereon.

#### Item No. 2 – Re-appointment of Sanjay Tiku

To appoint a Director in place of **Mr. Sanjay Tiku (DIN-00300566)**, who retires by rotation and is eligible for re-appointment.

#### Item No. 3 – Appointment of Auditors

To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s A C Gupta & Associates, Chartered Accountants, (Firm Registration No. 008079N) be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the **conclusion of the thirty-first AGM of the Company to be held in the year 2018** (subject to ratification of their appointment at every AGM, at such remuneration plus service tax, out-of-pocket, travelling and lodging expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors”

### SPECIAL BUSINESS

#### Item No. 4 – Appointment of Anubhav Dham as a Director, liable to retire by rotation

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and the rules made thereunder and other applicable provisions of the Companies Act, 2013 or any applicable laws **Mr. Anubhav Dham (DIN-02656812)** who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 19, 2013 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by the retirement of directors by rotation.”

#### Item No. 5 – Appointment of Gautam Malhotra as a Director, liable to retire by rotation

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under and other applicable provisions of the Companies Act, 2013 or any applicable laws **Mr. Gautam Malhotra (DIN-00157488)** who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 19, 2013 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by the retirement of directors by rotation.”

#### Item No. 6 – Appointment of John Ernest Flintham as a Director, liable to retire by rotation

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



“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under and other applicable provisions of the Companies Act, 2013 or any applicable laws **Mr. John Ernest Flintham (DIN-01463500)** who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 19, 2013 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by the retirement of directors by rotation.”

**Item No. 7 – Appointment of Sanjay Chhabra as Independent Director**

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

“**RESOLVED THAT Mr. Sanjay Chhabra (DIN-01237026)**, who was appointed ‘Additional Director’ in the Board of the Company on March 28, 2014 in terms of Section 161 (1) of the Companies Act, 2013 and whose term of office expires at the ensuing Annual General Meeting of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from September 27, 2014 upto September 26, 2019, in accordance with Section 149 and Section 152 of Companies Act, 2013 read with Schedule IV of Companies Act, 2013 and other applicable provisions and rules made thereunder of Companies Act, 2013 and any other applicable laws as amended from time to time.

**RESOLVED FURTHER THAT** Mr. Sanjay Chhabra, being an Independent Director shall not be liable to retire by rotation.”

**Item No. 8 – Appointment of Ashok Mittal as Independent Director**

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

“**RESOLVED THAT Mr. Ashok Mittal (DIN-06581045)**, who was appointed ‘Additional Director’ in the Board of the Company on March 28, 2014 in terms of Section 161 (1) of the Companies Act, 2013 and whose term of office expires at the ensuing Annual General Meeting of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from September 27, 2014 upto September 26, 2019, in accordance with Section 149 and Section 152 of Companies Act, 2013 read with Schedule IV of Companies Act, 2013 and other applicable provisions and rules made thereunder of Companies Act, 2013 and any other applicable laws as amended from time to time.

**RESOLVED FURTHER THAT** Mr. Ashok Mittal, being an Independent Director, shall not be liable to retire by rotation.”

**Item No. 9 – Ratification of Remuneration of Cost Auditors**

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

“**RESOLVED THAT** pursuant to section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 40,000 (Rupees Forty Thousand) plus out-of-pocket expenses payable to Mr. Yash Pal Sardana, Cost Accountants & Management Consultants (Membership No – 17996) Cost Auditor of the Company who are appointed by Board of Directors of the Company to conduct cost audit of all business of the Company for the year ending on 31st March, 2015.”

**Item No 10 - Related party Transactions of the Company with Amtek Auto Limited**

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

“**RESOLVED THAT** pursuant to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed thereunder and in terms of the revised Clause 49 of the Listing Agreement (including statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other statutory approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into transaction/s of purchase/sale of goods / services, transfer, assign or otherwise etc., whether material or otherwise, for the period of five (5) financial years with effect from April 1, 2014, of the Company with Amtek Auto Limited -



Related Party, upto an estimated annual value of Rs. 250 Crores (Rupees two Hundred and Fifty Crores only) to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and Amtek Auto Limited.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as maybe necessary, proper or expedient to give effect to this Resolution.”

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special business under Item Nos. 4 to 10 above, is annexed hereto. The relevant details of Directors seeking appointment/re-appointment under Item Nos. 2, 4 to 8 as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The instrument appointing the Proxy, in order to be effective, must be deposited at the Company's Registered Office not less than **48 hours** before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Pursuant to 205A(5) and 205C of the Companies Act, 1956, Unclaimed final dividend for the year 2006-07 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Govt. of India. All Shareholders, whose dividend is unpaid for the year 2006-07, are requested to lodge their claim by submitting an application at the earliest date, with either of the following:
  - i. M/s C.B. Management Services Private Limited (RTA)  
P- 22, Bondel Road, Kolkata- 700 019,
  - ii. The Company-Secretary,  
JMT AUTO Limited,  
Corporate and Administrative office,  
C-19-20 7<sup>th</sup> Phase Industrial Area,  
Adityapur, Jamshedpur-832109

Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.

5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, M/s. C B Management Services (P) Ltd. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and M/s. C B Management Services (P) Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. C B Management Services (P) Ltd.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from **24.09.2014 to 27.09.2014 (both days inclusive)** for the purpose of compliance with the annual closure of Books as per Companies Act, 2013.



7. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
8. In accordance with the Companies Act, 2013 read with the Rules and in support of the 'Green Initiative in Corporate Governance' the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialised format and whose email ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with C B Management Services Pvt. Ltd., the Company's Registrars and Share Transfer Agents.
9. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to C B Management Services (P) Ltd. for consolidation into a single folio.
11. Members/ Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting.
12. Pursuant to Section 103 of Companies Act, 2013 at least 30 Members should be personally present to form quorum for meeting of the Company.
13. **Members desirous of asking any questions at the General Meeting are requested to send in their questions so as to reach the Company registered office at least 7 days before the General Meeting so that the same can be suitably replied to.**
14. Pursuant to Section 108 and other applicable rules & provisions issued in that behalf, your Company is offering e-Voting Facility for all shareholders of the Company. as an alternate, to all its members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional. The members who wish to vote through physically in Meeting (instead of e- voting) can do the same.
15. The Voting through an electronic means will commence on 22.09.2014 from 10:00 A.M. and will end on 23.09.2014 at 6:00 P.M. The members will not be able to caste their electronically beyond the date and time as aforesaid mentioned.

**Process for Members opting for e-Voting is as under:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The e-voting period commences on Monday, September 22, 2014 (9:00 a.m. IST) and ends on Tuesday, September 23, 2014 (6:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently.

**The instructions for shareholders voting electronically are as under:-**

- i) The voting period begins on 22.09.2014 from 10.00 A.M. and ends on 23.09.2014 at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- iii) Click on “Shareholders” tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant <b>can enter in the PAN field 10 characters as First 2 alphabets of the first Holder’s Name followed by 8 characters consisting of Folio Number prefix by ‘0’ (or 8 characters from right of BO_ID). No special characters will be taken from the name and folio number.</b></li> <li>● In case the <b>folio</b> number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name>on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xx) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on 29<sup>th</sup> August, 2014.
13. The Results of e-voting shall be declared on the date of the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.jmtauto.com](http://www.jmtauto.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

**By order of the Board of Directors**

**Place : New Delhi**  
**Date : 02.09.2014**

Sd/-  
**Mona K Bahadur**  
**Company Secretary & Compliance Officer**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 4 to 10 of the accompanying Notice dated 02.09.2014.

**ITEM NO.4**

Mr. Anubham Dham was appointed as an Additional Director by the Board with effect from 19th August, 2013. In terms of Section 161(1) of the Companies Act, 2013 Mr. Anubham Dham holds office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying its intention to propose the candidature of Mr. Anubham Dham for the office of Director.

Mr. Anubham Dham (B.E. University of Southern California -USA & MBA -Spain), is associated with the Amtek Group and has significant international and domestic experience in finance, projects and operations.

Mr. Anubham Dham is interested and concerned in the Resolution mentioned at Item No. 4 of the Notice. Other than Mr. Anubham Dham, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

**ITEM NO.5**

Mr. Gautam Malhotra was appointed as an Additional Director by the Board with effect from 19th August, 2013. In terms of Section 161(1) of the Companies Act, 2013 Mr. Gautam Malhotra holds office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying its intention to propose the candidature of Mr. Gautam Malhotra for the office of Director.

Mr. Gautam Malhotra -B.E., M.B.A is the Managing Director of Amtek India Limited which is part of the Amtek Group. He also holds an MBA from University of Manchester UK. He has significant international and domestic experience in finance, JVs, Mergers & Amalgamations.

Mr. Gautam Malhotra is interested and concerned in the Resolution mentioned at Item No. 5 of the Notice. Other than Mr. Gautam Malhotra, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

**ITEM NO.6**

Mr. John Ernest Flintham was appointed as an Additional Director by the Board with effect from 19th August, 2013. In terms of Section 161(1) of the Companies Act, 2013 Mr. John Ernest Flintham holds office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for appointment. Notice has been received from a member as required by Section 160 of the Act, signifying its intention to propose the candidature of Mr. John Ernest Flintham for the office of Director.

Mr Flintham serves as Senior Managing Director and Chief Executive Officer of Amtek Auto Ltd. He has done Mechanical Engineering from Technical College, Lincoln. He brings to the Board significant international and domestic experience in operations and technical expertise.

Mr. John Ernest Flintham is interested and concerned in the Resolution mentioned at Item No. 6 of the Notice. Other than Mr. John Ernest Flintham, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

**ITEM NO.7**

Mr. Sanjay Chhabra has been the Non-Executive Independent Director of the Company since 28th March, 2014.

Mr. Sanjay Chhabra has vast experience in the field of technical, marketing and project implementation.



As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Sanjay Chhabra has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. The matter regarding appointment of Mr. Sanjay Chhabra as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director up to 26th September, 2019.

In the opinion of the Board, Mr. Sanjay Chhabra fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sanjay Chhabra as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Mr. Sanjay Chhabra is interested and concerned in the Resolution mentioned at Item No. 7 of the Notice. Other than Mr. Sanjay Chhabra, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

#### **ITEM NO. 8**

Mr. Ashok Mittal has been the Non-Executive Independent Director of the Company since 28th March, 2014.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Ashok Mittal has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. The matter regarding appointment of Mr. Ashok Mittal as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director up to 26th September, 2019.

In the opinion of the Board, Mr. Ashok Mittal fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ashok Mittal as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Mr. Ashok Mittal is interested and concerned in the Resolution mentioned at Item No. 8 of the Notice. Other than Mr. Ashok Mittal, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

#### **ITEM NO. 9**

As per Section 148 of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, and other applicable provisions, if any the remuneration of the Cost Auditor needs to be ratified by the shareholders. Yash Pal Sardana, Cost Accountants & Management Consultants, was appointed as Cost Auditor of the company for the financial year 2014-15 at a remuneration of Rs. 40,000 plus out of pocket expenses.

The proposed resolution is necessary to meet statutory obligation relating to appointment of Cost Auditor and is in the interest of the Company. Your Directors commend resolution at item No. 9 for your approval.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the Resolution mentioned at item No. 9 of the notice.



**ITEM NO. 10**

Further to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed thereunder, the Securities and Exchange Board of India vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 has amended the Clause 49 (VII) of the Equity Listing Agreement, which is effective from October 1, 2014. Under the said amendment, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the shareholders by a Special Resolution. The Company has become a subsidiary of Amtek Auto Limited and hence all transactions with Amtek Auto Limited falls under the category of Related Party Transaction.

Since Amtek Auto Limited is holding company dealing in the same auto component manufacturing field, there are likely to be various transactions in the field of supplying critical forged and machined components for automotive and industrial applications. Sale of scrap is also made by the company to the holding company's facility.

The individual transaction values would be revised, if required, based on mutual discussions to align the same at arm's length rates, as far as possible duly certified / advised by the Third Party Independent Consultants at current market rates.

In compliance of the said amendment, the Audit Committee of the Company has reviewed and approved the said ongoing transactions. The transactions may fall subsequently under the category of material transaction in terms of the provisions of Revised Clause 49 of the Listing Agreement and therefore, the Board has proposed the same to be placed before the shareholders for their approval as a Special Resolution at the Annual General Meeting of the Company. The said approval would be effective for the period of five financial years with effect from April 1, 2014. Looking at the nature of business of the Company and the transactions, such approval of shareholders for the period of five years would be essentially required at this point of time.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

1. Name of the related party and nature of relationship: **Amtek Auto Limited**, Holding Company, holding 71.73% of shares of JMT Auto Limited.
2. Applicability of the agreement / arrangement is subject to statutory approval, if any.
3. Name of Directors or KMP who is related: Mr. Gautam Malhotra & Mr. John Ernest Flintham are Directors in both the companies.
4. Manner of determining the pricing and other commercial terms: On arm's length basis, as far as possible and in tune with market parameters.
5. Disclosure of interest: Amtek Auto Limited is Holding Company of JMT Auto Limited holding 71.73% shares. There are two common Directors on Board namely Mr. Gautam Malhotra & Mr. John Ernest Flintham.
6. Duration: 5 years, as stated above.
7. Monetary value: Estimated values as mentioned in the resolution.
8. Nature, material terms and particulars of the arrangement: Sale of Scrap, Purchase of services, Sale & Purchase of goods etc
9. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

The Board recommends the Special Resolutions set out at Item No 10 of the Notice for approval by the members. Except as mentioned above, no Director, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in this resolution.

**By order of the Board of Directors**

**Place : New Delhi**  
**Date : 02.09.2014**

Sd/-  
**Mona K Bahadur**  
**Company Secretary & Compliance Officer**



**Details of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting  
(In pursuance of Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Sanjay Tiku</b>	<b>Anubhav Dham</b>	<b>Gautam Malhotra</b>
Date of Birth	27.01.1970	17.10.1986	03.03.1979
Date of Appointment	19.08.2013	19.08.2013	19.08.2013
Expertise in specific functional areas	Significant International and Domestic experience in Finance, Projects and Operations and M&A	Significant International and Domestic experience in Finance, Projects and Operations	Experience in Marketing and Finance.
Qualifications	B.Sc., MBA	B.E-USA, MBA-Spain	B.E, MBA-Manchester, UK
Directorship held in other public companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>● Amtek Tekfor Automotive Limited</li> <li>● Amtek Defence Technologies Limited</li> <li>● Amtek Brake Systems Limited</li> <li>● Aron Auto Limited</li> <li>● Rollatainers Limited</li> <li>● OCL Iron and Steel Limited</li> <li>● Newtime Infrastructure Limited</li> <li>● Karam Auto Components Limited</li> <li>● Symbios Personnel Advices and Services Limited</li> </ul>	<ul style="list-style-type: none"> <li>● SSAB AD Minerals Limited</li> <li>● Stesalit Limited</li> <li>● Adhbhut Infrastructure Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Ahmednagar Forgings Limited</li> <li>● Amtek India Limited</li> <li>● Amtek Laboratories Limited</li> <li>● ACIL Limited</li> <li>● Amtek Auto Limited</li> <li>● Stesalit Limited</li> </ul>
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/Investors' Grievance Committee)	Audit Committee – Member Rollatainers Limited Shareholders Grievance Redressal Committee - Member Rollatainers Limited	NIL	Audit Committee – Member Stesalit Limited
Shareholdings in the Company	NIL	NIL	NIL



Name of Director	John Ernest Flintham	Sanjay Chhabra	Ashok Mittal
Date of Birth	16.09.1952	18.07.1960	31.07.1966
Date of Appointment	19.08.2013	28.03.2014	28.03.2014
Expertise in specific functional areas	Experience in the fields of Manufacturing in Automotive components and commercial sales.	Experience in the fields of International marketing and trade, procurements, supplies and export from India	Experience in Finance and Taxation
Qualifications	Mechanical Engineer – Lincoln, UK	Mechanical Engineer – IIT, Delhi	Master of Public Policy– Harvard University MBA – Punjab University
Directorship held in other public companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>● MPT Amtek Automotive (India) Limited</li> <li>● Amtek Tekfor Automotive Limited</li> <li>● Amtek Auto Limited</li> <li>● Amtek Transportation Systems Limited</li> <li>● Amtek India Limited</li> <li>● Stesalit Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Amtek Auto Limited</li> <li>● Amtek India Limited</li> <li>● Adhbhut Infrastructure Limited</li> </ul>	NIL
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	NIL	Audit Committee – Member Amtek Auto Ltd	NIL
Shareholdings in the Company	NIL	NIL	NIL



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting their 27<sup>th</sup> Annual Report along with the Audited Results of the Company for the year ended 31<sup>st</sup> March, 2014.

### OPERATING AND FINANCIAL REVIEW

(Rs in Lacs)

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Gross Turnover	31119.91	33502.33
Earnings before Interest, Tax & Depreciation and Amortization (EBITDA)	4582.54	5601.00
Finance Cost	2148.50	1906.50
Depreciation	1829.08	2162.67
Tax Expenses	(100.65)	329.75
Net Profit After Tax	705.61	1202.08

### **DIVIDEND**

As the Company has not made any substantial profit during the financial year 2013-14, the Board has not recommended any dividend for the year ended 31<sup>st</sup> March 2014.

### **RESERVE AND SURPLUS**

Reserves and surplus of the Company increased from Rs. 12802.37 lakhs in 2012-13 to Rs. 13,518.90 lakhs in the Financial year 2013-14. The Company has a Net worth of Rs.14958.42 as on 31<sup>st</sup> March, 2014 in comparison to Rs. 14241.89 as on 31<sup>st</sup> March, 2013.

### **STOCK EXCHANGE REQUIREMENTS**

The Equity shares of the Company are being traded at **Bombay Stock Exchange**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai and at **National Stock Exchange of India Limited**, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai.

### **CREDIT RATING**

In order to comply with BASEL – II Guidelines your Company has got the rating done by M/s ICRA LIMITED.

CREDIT RATING AGENCY	LONG TERM/ MEDIUM TERM BANK FACILITIES	SHORT TERM BANK FACILITIES
ICRA	[ICRA] BBB+	[ICRA]A2

### **FIXED DEPOSITS**

As in the previous year your Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 from the Shareholders / Public during the year under review.

### **ENVIRONMENT PROTECTION AND POLLUTION CONTROL**

Company is compliant with all the rules and regulations of the Jharkhand State Pollution Control Board and regularly monitors and keeps the effluents, emissions and waste disposals from the works well within the stipulated parameters as per the Environment Conservation & Pollution Control Laws.

The Company is of ISO 14001/2004 and OHSAS 18001/2007 certified and maintains its commitment towards according priority to Environment, Occupational Health and Safety as part of its work culture.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm:

1. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the profits for the year ended on that date.
3. That proper and sufficient care has been taken for the 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.
4. That the annual accounts have been prepared on a going concern basis.

### DIRECTORS

In June, 2013 the Company's promoters entered into a Share Purchase Agreement with Amtek Auto Limited and sold its total shareholding and consequent there was a complete change of management. All the directors on Board resigned after new directors were appointed in August, 2013.

Change of Management of the Company

<b>Outgoing Directors</b>	<b>Designation</b>
Rajeev Singh Dugal	Managing Director
Jasjit Singh Dugal	Director
Harjinder Singh	Director
Sushil Kumar Khowala	Independent Director
Malkeet Singh Saini	Independent Director
Sanjay Kukreja	Independent Director

<b>Directors Appointed</b>	<b>Designation</b>
Sanjay Tiku	CEO & Whole Time Director
Gautam Malhotra	Non-Executive Director
John Ernest Flintham	Non-Executive Director
Anubhav Dham	Non-Executive Director
Sanjay Chhabra	Independent Director
Ashok Mittal	Independent Director

None of the Directors were disqualified for being appointed as the Directors as specified in Section 274(1)(g) of the Companies Act, 1956.

The new Directors were appointed by the erstwhile Board as Additional Directors whose term of office ends at the current Annual General Meeting.



Mr. Sanjay Tiku, was appointed as Whole Time Director by the Shareholders, through Postal Ballot, the result of which was declared on 3<sup>rd</sup> January, 2014. He retires at this Annual General Meeting and being eligible seeks re-appointment.

Mr. Gautam Malhotra, Mr. John Ernest Flintham and Mr. Anubhav Dham were appointed as Additional Director with effect from 19th August, 2013 and they will hold office till the date of the forthcoming Annual General Meeting.

Notices have been received from a Member proposing the candidatures of Mr. Gautam Malhotra, Mr. John Ernest Flintham and Mr. Anubhav Dham for being appointed as Directors of the Company.

#### **AUDITORS**

M/s.A C Gupta & Associates, Statutory Auditors of the company will retire at the ensuing Annual General meeting of the Company and are eligible for re-appointment. Shareholders are requested to re-appoint the auditors.

The Company has received letters from all of them to the effect that their reappointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for reappointment within the meaning of Section 141 of the said Act.

The Notes to Financial Statements referred to in the Auditors Report are self-explanatory and do not call for any further comments.

#### **DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956**

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of report.

As required under Section 217(2) of the Companies Act, 1956, the Board of Directors informs the shareholders that during the period under review, no changes have occurred in the nature of the Company's business or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

Information in accordance with the provisions of section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is as under:

**None of the employees fall within the category mentioned in section 217(2A) of the Companies Act, 1956.**

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain high standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

#### **RELATED PARTIES**

Related Party Transactions have been disclosed in Note No. 37 of the Financial Statement. Transactions with the Related Parties are carried out at the arm's length. The details of such transactions are placed before the Audit Committee.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Maintaining the spirit of giving back to the society the Company has contributed to many philanthropic activities like visit to Leprosy Centre, Old Age Home, blood donation camps, donating money and clothes to the poor and needy, spreading education among the low privileged section of the society, planting trees across all its units.

#### **ENVIRONMENT, HEALTH AND SAFETY**

Company has made significant contribution towards conservation of energy. Innovation and technological upgradation of processes and methods have made significant impact in the overall consumption of natural resources, energy, fuel etc.



Company's management is consistently involved in promoting eco-friendly measures like planting of trees in and around the Work units, creating new gardens, Rain Water Harvesting, usage of transparent sheets for natural sunlight inside the plant, use of turbo ventilators for ventilation purpose and for minimizing the carbon footprints, use of propane gas in the heat treatment plants for reducing the carbon emissions, minimizing effluents through better monitoring and corrective measures, reduction of quantum of input material, whether it is steel, or usage of inert gases for welding through Value Analysis/Value Engineering activities.

All Statutory safety norms are diligently followed by the Company. Safety is accorded prime importance in the organization. Each Plant has Safety Committee to oversee the safety of the workforce through ensuring safe working conditions and well informed and duly trained workers. Safety audits and evacuation drills are conducted regularly and all staff members are encouraged to take part in the same and training for the awareness of the employees are conducted at regular intervals.

Company has a personal Accident Insurance Policy (group) for ensuring welfare and security to the employees and their families.

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

The relevant data regarding the above is given in the **Annexure-I** hereto and forms part of this report.

**EMPLOYEE STOCK OPTIONS**

Pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the details of stock options as on March 31, 2014 under the "JMT ESOP Plan- 2012" are set out as **Annexure-II** to this Directors' Report.

**MANAGEMENT DISCUSSION & ANALYSIS**

A detailed review of operations, performance and future outlook of the Company is given separately as **Annexure-III**, under the head "Management Discussion and Analysis Report" and forms a part of this report.

**ACKNOWLEDGEMENTS**

The Board of Directors place on record their gratitude for the co-operation, patronage and support received from Financial Institutions, Bankers, Government Bodies and employees at all levels.

Your directors also wish to acknowledge the contribution made by the employees at all levels and above all the trust and confidence reposed by the shareholders.

**For and on behalf of the Board of Directors**

**Place : New Delhi**  
**Date : 02.09.2014**

Sd/-  
**Sanjay Tikku**  
**CEO & Whole Time Director**  
**DIN – 00300566**



## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE-1

INFORMATION UNDER (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS' RULES), 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

#### CONSERVATION OF ENERGY

Company continues to take measures towards conservation of energy through optimum utilization of energy and other resources. Utilization of energy intensive machines, procurement of energy efficient technologies etc is done as part of energy conservation measures. Company has been consistent in its efforts to conserve energy and natural resources and reduce consumption of Power, Fuel, Oil, Water and other energy sources by following strict adherence to:

1. Power saving processes and methods
2. Innovation and upgradation of technology.
3. Installation of Auto Power Cut-Off for electrical energy consumption.
4. Energy saving in utility by proper machine planning.
5. Emphasis on non-conventional energy sources.
6. Proper training to the employees and workforce to ensure minimum wastage of energy and natural resources.

#### FORM A

##### (A) Power and Fuel Consumption

1	Electricity		Current Year	Previous Year
	Purchase units (KWH)	(Fig. In Lakhs):	458.59	491.82
	Total Amount (Rs.)	(Fig. In Lakhs):	2226.94	2365.49
	Average Cost per Unit	(Rs.):	4.86	4.81
2	(a) Furnace Oil		Current Year	Previous Year
	Quantity (Litre)	(Fig. In Lakhs):	6.06	8.82
	Total Cost (Rs.)	(Fig. In Lakhs):	278.59	403.21
	Average Cost per Litre	(Rs.):	45.97	45.72
	(b) Propane Gas		Current Year	Previous Year
	Quantity (K.G.)	(Fig. In Lakhs):	10.13	14.06
	Total Cost (Rs.)	(Fig. In Lakhs):	655.60	873.66
	Average Cost per K.G.	(Rs.):	64.72	62.14
	c) Others / Internal Generation		Current Year	Previous Year
	Quantity (K.G.)	Units (KWH)		
	(Fig. In Lakhs)		3.95	7.62
	Units/Litre of Diesel Oil	(KWH)	3.15	3.12
	Average Cost per unit.	(Rs.)	16.97	13.95

##### (B) Consumption per unit of production Product:

Product	Current Year	Previous Year
Electricity (KWH)	3.01	2.74
Furnace Oil (Liter)	0.04	0.05
Propane Gas (K.G.)	0.07	0.08



**Research and Development**

**Future Plan for Action**

**FORM B**

**I. Research and Development**

- Modification of water cooling system by incorporating Header & suitable pipelines which drastically reduced the power consumption from 86.7KW (21 nos. Motors) to 33 KW (7no.s motors).
- In-house tempering furnace manufactured.
- Existing roller system modified to accommodate the fixtures used in Sealed Quench Furnace (SQF) of different make, like Hightemp/Triads/Unitherm etc.

**II. Benefits derived as a result of the above R &D:**

- Increase in productivity.
- Time-loss drastically reduced.
- Development of critical parts with higher precision.

**III. Future plan for action:**

- Utilize SAP for analyzing usage of tools and toolings.
- Improve product output by using new generation tools.
- Enter Export market of different range of precision machined products.
- Install two Sealed Quench Furnaces.
- Two additional Tempering Furnaces.
- Washing Machine with both spray & dipping facility.

**IV. Expenditure on R &D:**

a. Capital	<p>The development work is carried on by the concerned departments continuously. No separate record of the expenditure incurred on R &amp; D.</p>
b. Recurring	
c. Total	
d. Total R & D Expenditure as a percentage of total turnovers.	

**TECHONOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Efforts in brief made towards Technology Absorption, Adaptation and Innovation**

- With the arrival of Amtek as the parent Company, JMT's strive to meet international standards of precision and product quality has strengthened significantly. Better utilization of machines, improvised processes and enhanced precision has improved productivity.



- Power and fuel consumption has been reduced by improvised machines and by taking up higher batch sizes for product manufacturing. Incessant efforts have been made towards reduction of wastage and rejections.

**2. Benefits derived as a result of the above efforts:**

- Significant reduction in consumption of raw material and energy.
- Operational efficiency has increased leading to reduced time-loss and rejections.

**3. Imported Technology:**

- a. Technology Imported : Nil
- b. Year of Import : NA
- c. Has the technology been fully absorbed : NA

**(C)** Sales comprises of F.O.B. value of export (including Deemed Export of Rs.1002.10 Lacs (previous year Rs.842.53 Lacs). During the year 2013-14, Total F.O.B Value of export was Rs. 7167.57 Lacs (previous year Rs. 6056.80 Lacs).

**(D) FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. Activities relating to Exports, initiatives to increase exports, Development of new Export Markets for Products and Services and Export plans:

The Company has taken initiative to export in the Global market and its product has been well accepted.

2. Total Foreign Exchange used and earned:

	(Rupees in lakhs)	
	Current Year	Previous Year
a. Earning (FOB Value of Export):	6165.47	5214.27
b. Expenditure:	10.32	11.44

**For and on behalf of the Board of Directors**

Place : New Delhi  
Date : 02.09.2014

Sd/-  
**Sanjay Tiku**  
CEO & Whole Time Director  
DIN – 00300566

ANNEXURE II

## ESOP DISCLOSURE IN DIRECTORS' REPORT

### Details of Employee Stock Option Plan 2012 for the year ended March 31, 2014 (As per Clause 12 of SEBI (ESOS and ESPS) Guidelines, 1999)

#### 1. Total No. of Options granted

A total of 4,00,000 equity shares equivalent to 2.78% of the total paid-up sharecapital has been earmarked for ESOP 2012. During the year 2,10,000 options have been granted to employees. Cumulatively, till March 31, 2014, 'Nil' options, have been granted to various employees/Independent Directors of the Company.

#### 2. Outstanding No of options as on April 1, 2014

As on April 1, 2014, a total of 4,00,000 valid options were outstanding.

#### 3. Pricing formula

The grant price is determined based on the closing price of the Equity Shares of the Company on one of the days out of seven days prior to the date of grant of the options by the Remuneration Committee, on the stock exchange with which the Company's shares are listed and on which the maximum volume of shares of the Company are traded that day. The closing price of 27<sup>th</sup> July, 2012 as on National Stock Exchange Limited was taken to fix the price of the option.

#### 4. Options vested

Under the above mentioned Scheme, 'Nil' options were vested till March 31, 2014.

#### 5. Options exercised

NA, since the options vested till 31.03.2014, is Nil.

#### 6. Total number of options lapsed/forfeited/cancelled as on March 31, 2014

'Nil' options have been cancelled till March 31, 2014.

#### 7. Total number of Equity shares arising due to exercise of options

As on March 31, 2014, 'Nil' equity shares would arise due to exercise of the options granted under the scheme (since nil options have vested till 31.03.2014)

#### 8. Variation of terms of options

No variations have been made to the terms of the options with respect to the original grant.

#### 9. Money realized by exercise of options

As "Nil" options have vested till date, so 'nil' options have been exercised and hence no money has been realized till date.

#### 10. Total number of options in force

2,10,000 valid options were in force on March 31, 2014.

#### 11. Vesting Schedule

Subject to the right of Remuneration Committee to, in its absolute discretion, vary or alter the vesting date for an employee or class of employees, 100% of the options will vest in the grantees at the end of 24 months from the date of grant i.e. 01.08.2012. The date of vesting will be 31.07.2014 for the whole of 2, 10,000 options granted to the selected employees and Independent Directors.

#### 12. Lock-in:

There shall be no lock-in after the options have been vested.

#### 13. Person wise details of options granted to:

- a) Senior Managerial Personnel, during the year—Nil.



- b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year – Nil.
- c) Employees getting options more than 1% of issued Equity Share Capital, during the year - Nil.

**14. Diluted Earnings per Share (EPS)**

Diluted EPS, pursuant to issue of shares on exercise of option calculated in accordance with AS-20 is Rs. 4.83.

**15. Employee compensation cost**

The Company has calculated its Employee Compensation Cost on Intrinsic Value Method and the cost is 10.66 lacs for the year. However, the Compensation Cost, if computed on fair value basis (as per Black Scholes Model) is Rs. (25.34) lacs for the year.

**16. Impact on profits of the Company and on the EPS arising due to the difference of the fair value of the Stock Options over the intrinsic value of the Stock Options for the Financial Year ended March 31, 2014**

Impact on Profit: Rs. 14.68 Lacs

Impact on EPS: Rs. 0.10 per share

Under the above mentioned scheme, the exercise price of the options granted on August 1, 2012 is Rs. 40.00. The fair value of each option, as calculated using the Black Scholes Option Valuation Model is Rs. 36.30 only.

**17. Option valuation methodology**

The Company has used Intrinsic Value Method; however, for estimating the fair value of the options granted, Black Scholes Option Valuation Model has been used.

**17.1 Risk free interest rate**

The risk free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the option based on the zero coupon yield curve for Government securities as on date of grant.

**17.2 Expected life**

A two year vesting schedule applies on all the options granted to the employees. Thus, 100% of the options granted would vest on the completion of 24 months from the grant date.

**17.3 Expected volatility**

Volatility is calculated based on the daily volatility of the stock prices on Nifty, over a period of one year prior to the date of grant.

**17.4 Expected dividends**

No Dividend has been proposed for the year ended 31.03.2014 by the Board of Directors, to be approved by the Shareholders

**17.5 Price of underlying share at time of grant of option**

The fair value of the shares at the time of grant of options on August 1, 2012 was Rs. 36.30. During the year, no fresh options were granted.

**18. Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock:**

Weighted Average fair value – Rs. 36.30

Weighted Average Exercise Price – Rs. 40.00

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 02.09.2014

Sd/-  
Sanjay Tiku  
CEO & Whole Time Director  
DIN – 00300566



ANNEXURE III

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### GLOBAL SCENARIO

The Global Automotive Components market is poised to grow at a considerable rate in the near future. The increase in automobile production and sales, growing demand for advanced features, and the growing potential of emerging markets are among the few factors that are key to the market growth. However, rapid technological changes, along with a few operational and functional issues act as a hindrance to the growth of the market.

The key customer segments in the Automotive Components Industry include passenger vehicle manufacturers, commercial vehicle manufacturers, original equipment manufacturers (OEMs) and aftermarket customers.

The year 2013-14 was undoubtedly one of the most challenging ones for the automobile industry. Both, vehicle and auto component sales saw a decline during the fiscal year that ended in March, 2014. During a press conference about the auto component industry's performance review for the fiscal 2013-14, Automotive Component Manufacturing Association of India (ACMA) said that the industry recorded a decline of 2 per cent, with overall turnover standing at Rs. 2,11,765 crores (USD 35.13 billion) against last year's 2,16,000 crores. The compound annual growth rate (CAGR) for the industry has been 14 per cent for the last six years. However, the auto component industry expects a growth of 4-6 per cent in the 2014-15 fiscal, if the vehicle sales continue to grow like they have in the last couple of months.

The major challenges for the industry are searching qualified employees, managing rising costs while staying competitive on price, and expanding product portfolios. Substantial investment in capacity expansion, increasing after-market demand, and sales and revival in global auto production with strong recovery in vehicle sales are anticipated to expand the industry's footprint.

### INDIAN AUTO COMPONENTS INDUSTRY

Indian auto component industry is facing stiff competition from low-cost countries (LCC) including China, Korea, Vietnam, Thailand and Indonesia, besides competition from East Asia, Czech Republic, Poland, Russia, Hungary and Turkey. India is also facing competition from Eastern Europe and Brazil and Mexico from Latin America.

Despite burgeoning competition, Indian auto component industry has been able to increase their exports due to strong global quality practices and manufacturing expertise.

The Indian auto parts sector is also aiming at sustaining robust growth trajectory through stable long-term export sops and free trade agreements, quoting industry grapevines, the report pointed out.

Automotive component exports have recorded a Compounded Annual Growth Rate (CAGR) of 16 percent during 2007-12 and are likely to maintain a CAGR of 17 percent during 2012-21.

The Indian auto component industry is one of the country's rising industries with tremendous growth prospects. From a low-key supplier providing components exclusively to the domestic market, the industry has emerged as one of the key auto components centres in Asia and is today seen as a significant player in the global automotive supply chain. India is now a supplier of a range of high-value and critical automobile components to global auto makers such as General Motors, Toyota, Ford and Volkswagen, amongst others.

The industry currently accounts for almost 7% of India's gross domestic product (GDP) and employs about 19 million people, both directly and indirectly. The ever-increasing development in infrastructure, big domestic market, increasing purchasing power and stable government framework have made India a favourable destination for investment, as per the vision of Automotive Mission Plan (AMP) 2006-2016.

The Indian auto component industry is expected to register a turnover of US\$ 66 billion by FY 15-16 with the likelihood to touch US\$ 115 billion by FY 20-21 depending on favourable conditions, as per the estimates of Automotive Component Manufacturers Association of India (ACMA). In addition, industry exports are projected to reach US\$ 12 billion by FY 15-16 and add up to US\$ 30 billion by FY 20-21.



Exports in the sector grew by 4.4 per cent to touch US\$ 9.69 billion in 2013, as per data provided by ACMA.

The cumulative foreign direct investment (FDI) inflows into the Indian automobile industry during the period April 2000 - May 2014 was recorded at US\$ 9,885.21 million, as per data published by the Department of Industrial Policy and Promotion (DIPP), Government of India.

### **Key Developments and Investments**

Supportive government policies, positive business environment, availability of reasonably priced talented workforce and stable outlook for the industry has made India a global hub for the international manufacturers to set up their facilities in the country. The auto components manufacturers are also reaping the benefits.

### **Government Initiatives**

The Government of India has allowed 100 per cent FDI in the automotive industry through automatic route. With a special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components, the automotive sector's contribution to the GDP is expected to double reaching a turnover worth US\$ 145 billion in 2016, according to the AMP 2006-2016.

The Interim Budget 2014-15 has added some incentives to the auto industry. To give relief to the automobile industry, excise duty has been reduced till June 30, 2014 for the following segments:

- For small cars, motorcycle, scooters -duty has been reduced from 12 per cent to 8 per cent.
- For commercial vehicles and SUVs -duty has been reduced from 30 per cent to 24 per cent.
- Duty has also been reduced from 27 per cent to 24 per cent for large-segment cars, and from 24 per cent to 20 per cent for mid-segment cars.

### **Road Ahead**

The rapidly globalising world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is subsequently adding to the auto component industry's growing opportunities. According to a report by the Confederation of Indian Industry (CII), the Indian auto component industry is set to become the third largest in the world by 2025. Also, by that time, newer verticals and opportunities for component manufacturers will open up as the automobile market will shift towards electric, electronic and hybrid cars, and newer technologies will have to be adopted via systematic research and development.

By 2020, it has been estimated that nearly 90 per cent of vehicles on the road will be wired. While the connected car market is expected to touch US\$ 600 billion, the automotive component industry is predicted to reach US\$ 113 billion.

Source: ACMA: Press Release-2014

**References:** Media Reports and Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Union Budget 2014-15, Confederation of Indian Industry (CII)

**For and on behalf of the Board of Directors**

**Place : New Delhi**  
**Date : 02.09.2014**

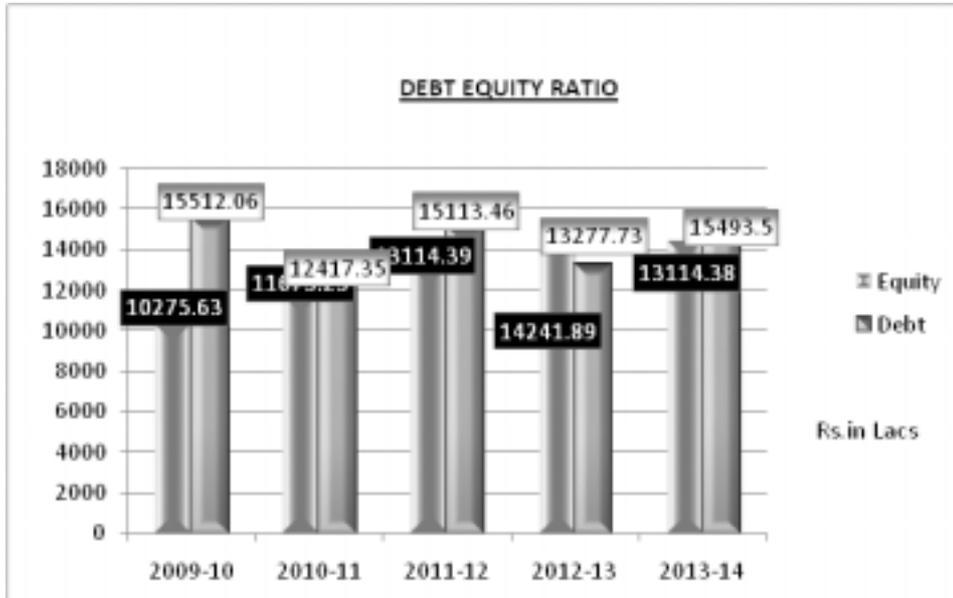
Sd/-  
**Sanjay Tikku**  
**CEO & Whole Time Director**  
**DIN – 00300566**



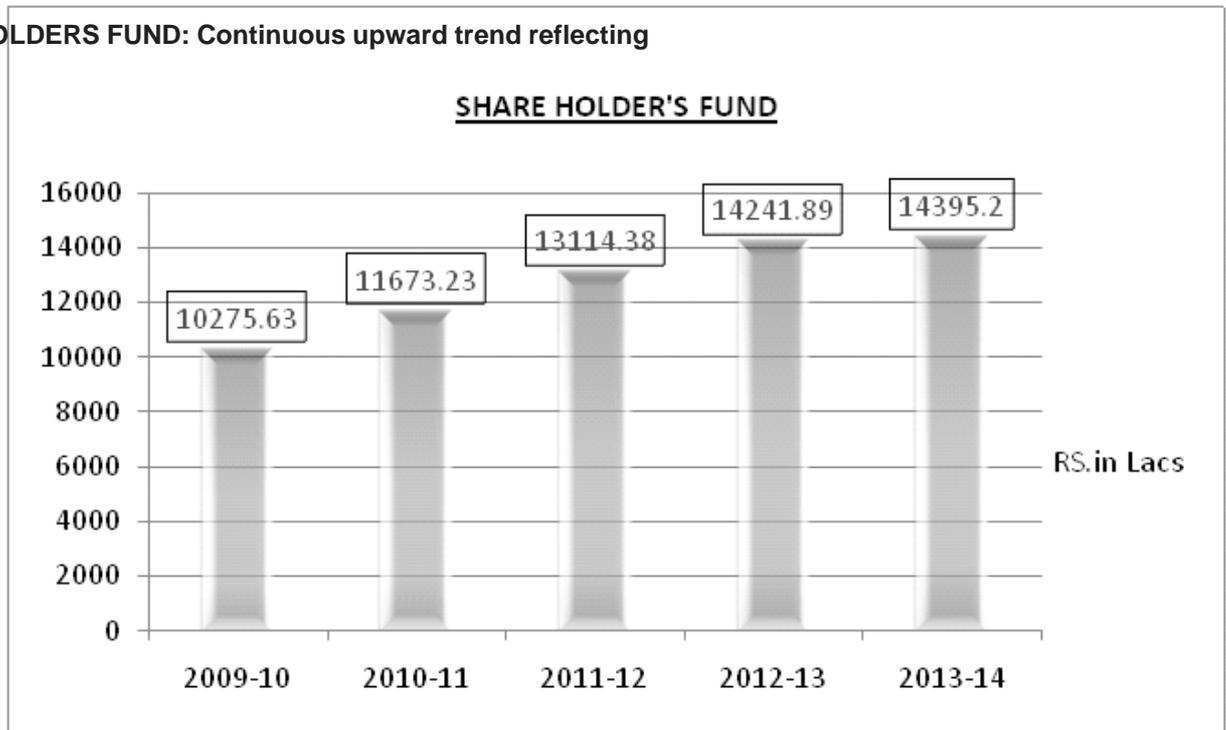
FINANCIAL PERFORMANCE OF THE COMPANY

JMT AUTO LIMITED - 5 YEARS TREND

DEBT EQUITY RATIO:

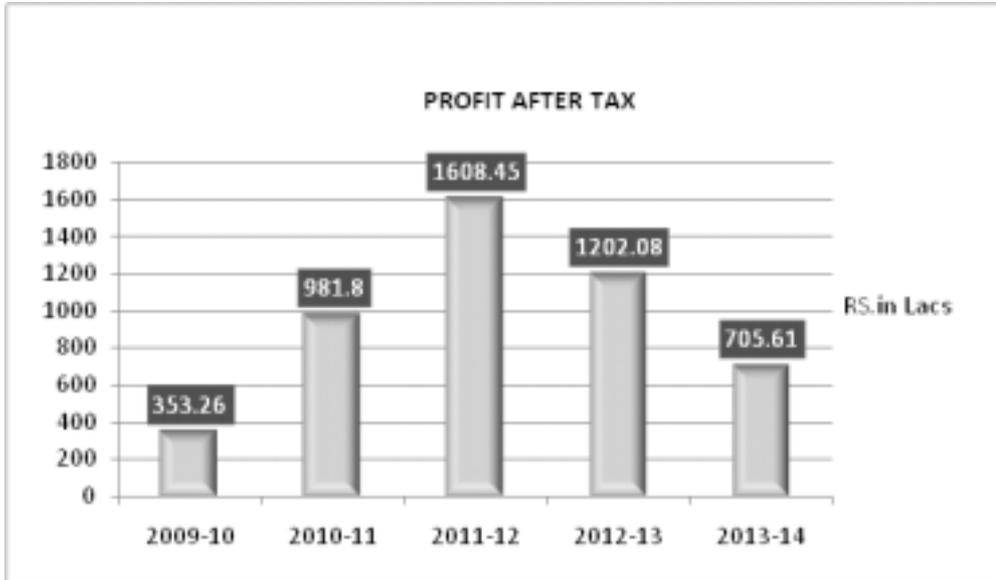


SHAREHOLDERS FUND: Continuous upward trend reflecting

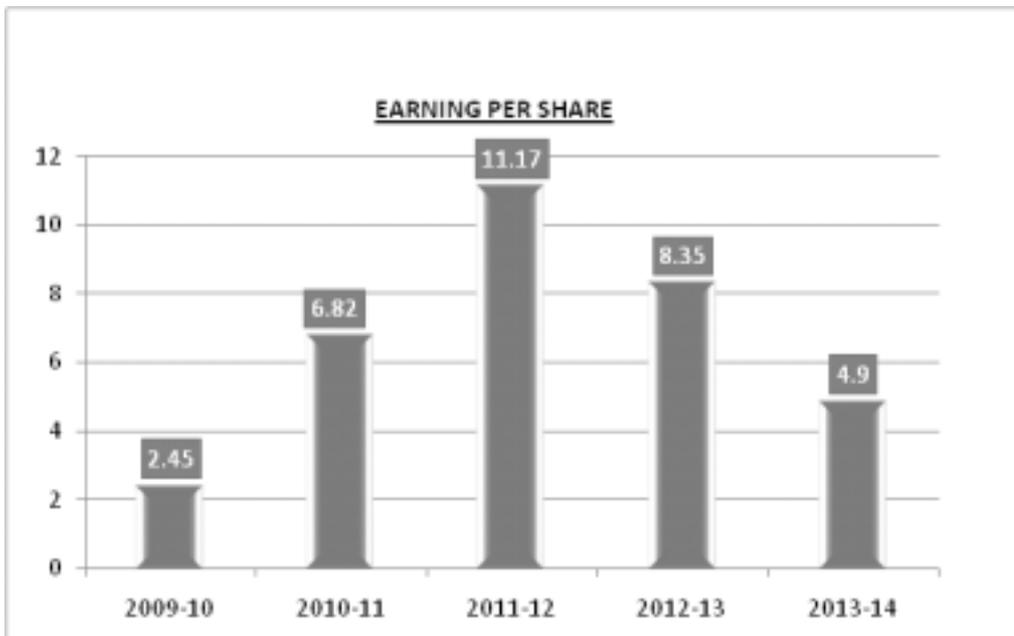




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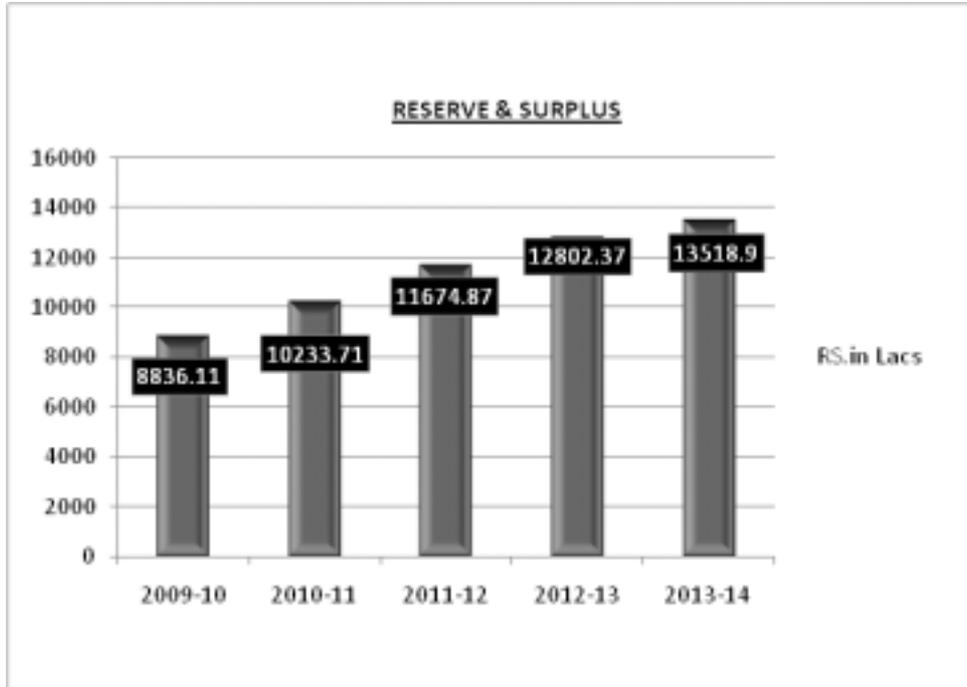


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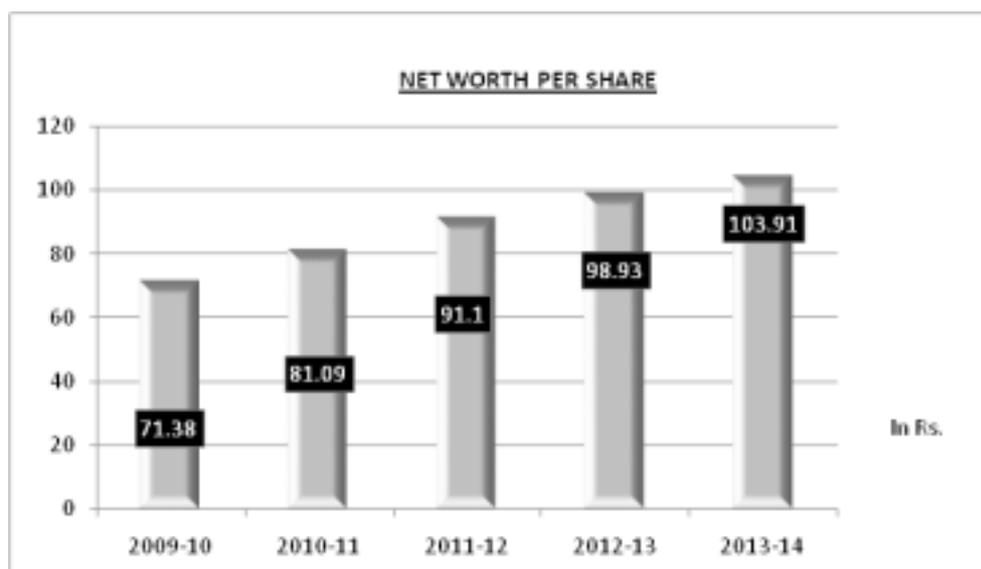




**RESERVES & SURPLUS**



**NET WORTH PER SHARE**



**THE YEAR 2013-14 IN BRIEF**
**FINANCIAL OVERVIEWS**
**Gross Turnover**

The Company has consistently shown a considerable increase in its Turnover evident from the figures below:

<b>TURNOVER</b>	<b>Q1 (ending on 30.06.2013)</b>	<b>Q2 (ending on 30.09.2013)</b>	<b>Q3 (ending on 31.12.2013)</b>	<b>Q4 (ending on 31.03.2014)</b>
DOMESTIC	5997.56	4482.53	4471.51	8905.61
EXPORTS(Including third party export)	1433.16	2036.46	1704.15	2001.91
Export Incentive	25.94	31.60	28.20	1.28

Your Company has achieved a Gross Turnover (including Excise Duty & Sales Tax) of Rs. 322.00 crores in the F.Y. 2013-14, which has gone down approximately by 8% from the last year's corresponding turnover of Rs. 349.00 crores.

**SEGMENT-WISE PERFORMANCE**

The company's sales are primarily to domestic automobile component segment, however also has a share in the export segment during the year under review, the company achieved domestic sales of Rs. 250 crores as against Rs. 287.71 crores in the previous year and export sales of Rs. 61.74 crores as against Rs. 52.18 crores in the previous year.

**RESERVE & SURPLUS**

The Company's Reserve & Surplus has increased by approximately 5.6% from Rs128.02 crore in the FY 2012-13 to Rs. 135.19 crore in the FY 2013-14.

**ENVIRONMENT CONSERVATION**

The Company is continuously making efforts towards conservation of the natural environment around its facilities. The processes are being improvised with the aim of minimizing power and fuel consumption. Plantation drives, optimization of use of water and efforts to tap alternate sources of energy have been incorporated as part of the work culture of the Company. Pollution norms are diligently met with and effluents and emissions are maintained well within the permitted parameters.



## SWOT ANALYSIS

### OPPORTUNITIES & CHALLENGES

#### STRENGTHS

- Synergies with AMTEK Group – World renowned Integrated Component Manufacturers
- Established manufacturing base
- Growth in export segment
- Cost competitiveness in terms of Labour and Raw material
- Access to improvised processes and technological development
- Enhanced bargaining power with larger OEMs

#### WEAKNESSES

- Low investment in Research and Development
- Fighting the problem of counterfeit parts
- Limited domestic market for various components inhibiting capacity creations.
- Comparatively poor infrastructure for supply chain and exports
- Lack of experience in system integration

#### OPPORTUNITIES

- Developing wider customer base – domestic & international
- Scope to specialize and establish in certain segment of the industry
- Meeting demands of newer models by automakers
- Leverage on product engineering expertise to improve the worthiness and exports of auto component.
- Cost reduction through absorption of upgraded technology

#### THREATS

- Surging raw material prices putting pressure on profit margin
- Free Trade Agreements / Preferential Trade Agreements
- Appreciation of Rupee
- Developments of new technologies which may affect the auto component industry.

#### INTERNAL CONTROL SYSTEMS

JMT AUTO Limited has a proper and adequate system of internal controls in place so that all assets are safeguarded and protected against loss from unauthorized use or disposition. Proper systems of verification and that transaction are authorized, recorded and reported quickly.

- The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures.
- The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.
- Accurate recording of transactions with internal checks and prompt reporting.



- Adherence to applicable Accounting standards and policies.
- Compliance with applicable statutes, policies, listing requirements, management policies and procedures.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report describing the company's objectives, projections, estimates and expectations are simply 'forward looking statements'. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a general downtrend in the automotive industry - global and domestic both, significant changes in Governments Policies, political and economic environment in India and key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

**For and on behalf of the Board of Directors**

**Place : New Delhi**  
**Date : 02.09.2014**

Sd/-  
**Sanjay Tikur**  
**CEO & Whole Time Director**  
**DIN – 00300566**



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

The Company has been following High standards of Corporate Governance Principles, Policies and Practices over the years.

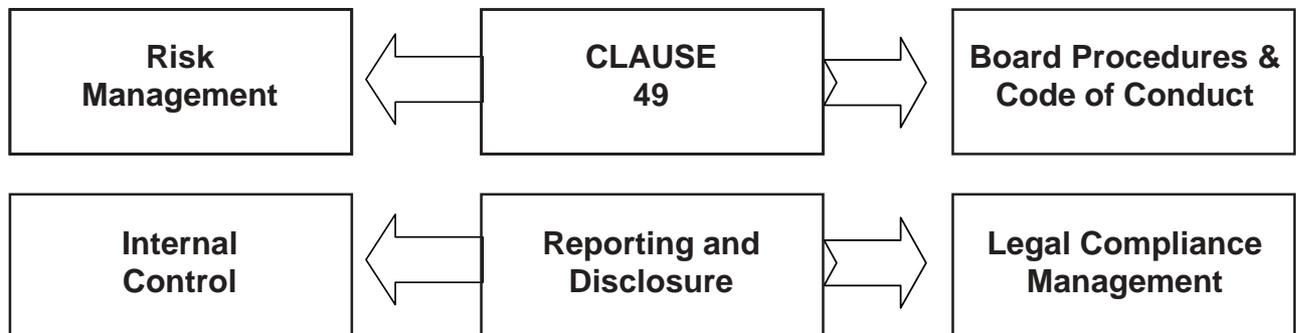
### JMT'S GOVERNANCE POLICY:

The company's philosophy on corporate governance is marked by the following fundamental principles:

- Ethical and Disciplined Corporate Behavior.
- Independent and Considered Judgment.
- Parity between Accountability and Responsibility.
- Transparency and effective and Adequate disclosures.

The company believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and safeguarding the shareholders' trust. In our commitment to practice sound governance principles, we are guided by the following core principles:-

1. Code of Conduct and Ethics for Directors and Senior Management
2. Improving Quality and Frequency of Information Flow to the Board, Audit Committee to enable them to discharge their functions effectively.
3. A Sound System of Risk Management and Internal Control
4. Transparency and Accountability.
5. Compliance with all Rules and Regulations.
6. Sound policy on prevention of Insider Trading.
7. Develop processes for various disclosure and reporting requirements.



In view of the revised Clause 49 of the Listing Agreement with Stock Exchanges, the Company continuously follows the procedure of Corporate Governance for ensuring and protecting the rights of its shareholders by means of transparency, integrity, accountability, trusteeship and checks at the different levels of the management of the Company.

### BOARD OF DIRECTORS

The composition of the Board, Board Meetings held, Attendance at Board Meetings of the Directors during the year and at the last Annual General Meeting, Number of Directorships in other public Companies and Committees across various public companies of which the Director is a Member / Chairman are given below:

### COMPOSITION

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Ordinary Shares are listed. The Composition of the Board as on March 31, 2014 was as under:



Promoter	Executive	Non-Executive	Independent
Anubhav Dham	Sanjay Tiku	John Ernest Flintham	Ashok Mittal
Gautam Malhotra			Sanjay Chhabra

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

The Company's philosophy is to maintain an optimum combination of Executive and Non-Executive Directors.

#### BOARD MEETINGS HELD

The Company's Corporate Governance Policy requires the Board to meet at least four times in a year.

The Board met 8 (eight times) on the following dates during the Financial Year 2013-14.

24th May, 2013, 13<sup>th</sup> November, 2013

27th June, 2013, 25<sup>th</sup> November, 2013

14th August, 2013, 3<sup>rd</sup> January, 2014

19<sup>th</sup> August, 2013, 13<sup>th</sup> February, 2014

The intervening period between two Board meetings was well within the maximum time gap of four months prescribed under clause 49 of the Listing Agreement

#### ATTENDANCE RECORD OF DIRECTORS

The Board prior to change of management comprised six members including one Managing Director, two Executive Directors (ED) and three Independent Directors. The Board continued till 19th August, 2014 where after the new management, appointed on 19<sup>th</sup> August, 2013 continued.

Name of the Director	Designation	Status & Category	No. of Board Meetings attended during 2013-14	Attendance at last AGM	No. of outside Directorship	Committee position Member	Committee Position Chairman
Mr. Rajeev Singh Dugal	Chairman-cum-Managing Director	Executive	03	Yes	06	Nil	Nil
Mr. Jasjit Singh Dugal	Whole-Time Director	Executive	03	Yes	01	03	Nil
Mr. Sushil Kumar Khowala	Director	Independent-Non-Executive	03	Yes	02	03	03
Mr. Malkeet Singh Saini	Director	Independent-Non-Executive	03	Yes	02	06	03
Mr. Sanjay Kukreja	Director	Independent-Non-Executive	Nil	No	04	Nil	Nil

The Present Board comprises six members. One of the Directors is Executive Directors (ED), two members are Non-Executive Directors and two Independent Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring independent judgment in the deliberations and decisions of the Board. There is no Nominee or Institutional Director on the Board of the Company.



Name of the Director	Designation	Status & Category	No. of Board Meetings attended during 2013-14	Attendance at last AGM	No. of outside Directorship	Committee position Member	Committee Position Chairman
Sanjay Tiku	CEO & Whole Time Director	Executive	05	NA	09	02	Nil
Anubhav Dham	Additional Director	Promoter & Non-Executive	05	NA	03	Nil	Nil
Gautam Malhotra	Additional Director	Promoter & Non-Executive	05	NA	06	01	Nil
John Ernest Flintham	Additional Director	Non-Executive	05	NA	06	Nil	Nil
Sanjay Chhabra	Additional Director	Independent-Non-Executive	Nil	NA	03	01	Nil
Ashok Mittal	Additional Director	Independent-Non-Executive	Nil	NA	Nil	Nil	Nil

\*NOTE:- This excludes directorship held in Private Companies, Foreign Companies and Companies formed under Section 8 of the Companies Act, 2013.

Membership/Chairmanship of Audit Committee and Shareholders/Investor's Grievance Committee in public companies only have been considered, as per Clause 49 of the Listing Agreement.

#### **BOARD AGENDA**

The annual calendar of meetings is agreed upon at the beginning of each year. Meetings are governed by a structured agenda. The Board members in consultation with the chairman may bring up any matter for the consideration of the Board. All major issues included in the agenda are backed by comprehensive background information to enable the Board to take informed decisions.

#### **COMMITTEES OF THE BOARD**

The Board of Directors has constituted three (3) committees of the Board- the Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee. The Board determines the terms of reference of the Board Committees from time to time. The respective Committee Chairman convenes meetings of the Board Committees. Minutes of the Committee meetings are placed before the Board for perusal and noting. The quorum for meetings of all the Committees is either two members or one-third of the members of the Committees, whichever is higher. Each committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist it in its work.

#### **AUDIT COMMITTEE**

The role of the Audit Committee has been strengthened and all major changes in financial policies are reviewed or approved by this Committee.

#### **COMPOSITION**

The Audit Committee constituted in line with the composition as prescribed by the code of Corporate Governance & it consists of the following directors:



1. Mr. Sanjay Chhabra – Non-Executive Independent Director – Chairman
2. Mr. Ashok Mittal – Non-Executive Independent Director
3. Mr. Gautam Malhotra – Non-Executive Director

All the members of the Audit Committee are financially literate. Mr. Sanjay Chhabra, Non-Executive Independent Director of the Company is the Chairman of the Audit Committee is a Financial Expert. The Finance Head attends the meeting of Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The committee also invites Senior Accounts Managers, as it consider appropriate to be present at the meeting of the committee. The terms of reference of Audit Committee are quite comprehensive and include all that is mandated under clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The Chairman of the erstwhile Audit Committee was present at the last Annual General Meeting to answer shareholders queries.

**DUTIES AND RESPONSIBILITIES – As provided in Section 177 of the Companies Act, 2013 and the Listing Agreement.**

- (i) Serve as an Independent and objective party to monitor the Company's Financial Reporting Process and Internal Control Systems.
- (ii) Review and appraise the audit efforts of Company's Statutory Auditors and Internal Audit Department.
- (iii) Provide an open avenue of communication among the Statutory Auditors, Financial and Senior Management, Internal Audit Department and the Board of Directors.

**POWERS**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**ACTIVITIES**

**(I) Duty to Examine & Review**

- The Committee at the meetings examines the Quarterly/Annual Financial Statements.
- It reviews the regular internal reports to the management prepared by the Internal Auditors including significant findings and follow-up actions and also management's response.
- Discusses with the Statutory Auditors before the commencement of Audit, the nature and scope of Audit, and also post audit discussion to ascertain areas of concern.
- Reviews the disclosure of Company's financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviews with the management the Quarterly/Annual financial statements before submission to the Board focusing primarily on:-
  - a) Any changes in accounting policies and practices.
  - b) Major accounting entries.
  - c) Significant adjustments arising out of audit.
  - d) Compliance with Accounting Standards.
  - e) Compliance with Stock Exchanges and legal requirements concerning financial statements.
  - f) Any related party transactions.



- Reviews the Company's financial and risk management policies.
- Reviews the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 2013.

**(II) Appointment of Auditors**

- Recommends to the Board of Directors, the selection of the Statutory Auditors/ Internal Auditors/ Cost Auditor/Secretarial Auditor and approves the fees paid to them. The Committee also discusses annually with the Auditors, all significant relationships that the Auditors have with the Company to determine their independence.
- Reviews the independence and performance of the Auditors
- Periodically holds consultation with the Statutory Auditors about the Internal Controls and the Accuracy of the Organization's Financial Statements.

**(III) FINANCIAL REPORTING PROCESS**

- Reviews the Integrity of the Organization's Financial Reporting Processes, both external and internal.
- Considers and approves major changes to the Company's auditing and accounting principles and practices as suggested by the Management or Internal Auditors.

**AUDIT COMMITTEE MEETINGS AND ATTENDANCE**

The Audit Committee met 4 (four times) on the following dates during the Financial Year 2013-14.

24<sup>th</sup> May, 2013, 13<sup>th</sup> February, 2014

14<sup>th</sup> August, 2013, 28<sup>th</sup> March, 2014

The Attendance of each member of the committee is given below.

Members	Category of Director	No. of Meetings Attended
Mr. Sushil Kumar Khowala	Non-Executive Independent Director	02
Mr. Malkeet Singh Saini	Non-Executive Independent Director	02
Mr. Jasjit Singh Dugal	Whole Time Director	02

Members	Category of Director	No. of Meetings Attended
Mr. Sanjay Chhabra	Non-Executive Independent Director	01
Mr. Ashok Mittal	Non-Executive Independent Director	01
Mr. Gautam Malhotra	Non-Executive Director	02

Apart from the members of the Committee, the Audit Committee meetings were attended by the Financial Head & Senior Manager, Finance. Company Secretary attended the meetings as the Secretary to the Committee.

**NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee of the Company, inter alia, recommends to the Board, Compensation payable to the Executive Directors and the senior most level of management immediately below the Executive Directors for appointments on the Board and Senior Management positions. It evaluates performance of the Board, Executive Directors and Non-Executive Directors on predetermined parameters.

The Committee recommends the induction of Directors in various Committees Reviews the HR policies and assists the Board in the implementation of the policy on "Prohibition of Insider Trading and Fraudulent and Unfair Practices".

Thus, the Nomination & Remuneration Committee of the Company constituted by the Board of Directors has a wide scope including deciding the remuneration of the Executive Director, retirement benefit to be paid to him, service contract, notice period, severance fees and dealing with matters pertaining to Employees' Stock Option Scheme as approved by the Board of Directors.

### COMPOSITION

The Nomination & Remuneration Committee comprises of:

1. Mr. Sanjay Chhabra – Non-Executive Independent Director – Chairman
2. Mr. Ashok Mittal – Non-Executive Independent Director
3. Mr. Anubhav Dham – Non-Executive Director

One meeting of the Nomination & Remuneration Committee was held during the year on 28.03.2014. The Attendance of each member of the committee is given below.

Members	Category of Director	No. of Meetings Attended
Mr. Sanjay Chhabra	Non-Executive Independent Director	01
Mr. Ashok Mittal	Non-Executive Independent Director	01
Mr. Anubhav Dham	Non-Executive Director	01

### REMUNERATION TO DIRECTORS

#### DETAILS OF REMUNERATION PAID TO ALL DIRECTORS IN THE FINANCIAL YEAR 2013-14

DIRECTOR	SITTING FEES (Rs.)	SALARY & PERQUISITES (Rs.)	TOTAL (Rs.)
Mr. Rajeev Singh Dugal, Managing Director	N.A	20,45,119.00	20,45,119.00
Mr. Jasjit Singh Dugal, Executive Director	N.A	3,00,000.00	3,00,000.00
Mr. Sushil Khowala, Independent Non-Executive Director	12,000.00	N.A	12,000.00
Mr. Malkeet Singh Saini, Independent Non-Executive Director	12,000.00	N.A	12,000.00
Mr. Sanjay Kukreja, Independent Non-Executive Director	N.A	N.A	NIL
<b>GRAND TOTAL</b>	<b>24,000.00</b>	<b>23,45,119.00</b>	<b>23,69,119.00</b>

There are no stock options available /issued to any of the Promoter-Directors of the Company and this does not form a part of their contract with the Company. The erstwhile Non-Executive Independent Directors of the Company namely Mr. Sushil Kumar Khowala, Mr. Malkeet Singh Saini and Mr. Sanjay Kukreja did not hold any shares of the company as on 31.03.2014.

The present Non-Executive Independent Directors of the Company namely Mr. Sanjay Chhabra and Mr. Ashok Mittal do not hold any shares of the company as on 31.03.2014.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of:

1. Mr. Anubhav Dham – Non-Executive Director- Chairman
2. Mr. Sanjay Tiku – Executive Director
3. Ms. Mona K Bahadur – Company Secretary

Mr. Anubhav Dham, Non-Executive Director of the company is the Chairman of the Committee. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of

securities of the Company. The Committee also looks into redressal of shareholders' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading Regulations), 1992. The Board has delegated the power of approving transfer of securities to the Managing Director and the Company Secretary.

### COMPLIANCE OFFICER

During the financial year 2013-2014, Ms. Mona K Bahadur was the Compliance Officer for complying with the requirements of the SEBI (Prohibition of Insider trading) Regulations, 1992 and the Listing Agreement with the Stock Exchanges in India.

### STATUS OF COMPLAINTS FOR THE PERIOD 2013-2014

1.	Number of complaints received from the investors comprising of Non-receipt of Dividend Warrants, Non-Receipt of Securities sent for transfer/transmission. Complaints received from SEBI etc.	Nil
2.	Number of General Queries/Change of Address/ Dividend Related Queries/ Share Certificate related queries etc	47
3.	Number of complaints/queries resolved	47
4.	Number of complaints not resolved to the satisfaction of the investors as 31 <sup>st</sup> March, 2014	Nil
5.	Complaints Pending as at 31 <sup>st</sup> March, 2014	Nil
6.	Number of share transfer pending for approval as at 31 <sup>st</sup> March, 2014	Nil

During the year ended 31st March, 2014, the Stakeholders Relationship Committee held 9 (Nine) meetings on 02.05.2013, 03.06.2013, 03.07.2013, 04.08.2013, 04.09.2013, 05.11.2013, 05.12.2013, 03.01.2014, 04.02.2014, and the transfers and other requests of the security holders were duly discussed and approved by the members of the committee.

### DISCLOSURES

- Materially significant related party transactions, which may have potential conflicts with the interests of the Company at large. – **None, except for the transactions specified in Note 37 to the Financial Statement.**
- Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/ Statutory Authorities on any matter related to capital markets during the last three years.- **One**  
 A penalty of Rs. 12 lacs imposed on the Company for non-compliance of Regulation 8(3) of the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997. The disclosure of Promoter's Shareholding as on record date for the period 2001 to 2011 was not made, though the disclosure of the same as on March, 31 of the Financial Years for the period was duly made by the company. The company suo moto made the pending disclosures at the time of change of management by Amtek Auto Ltd. yet the penalty was imposed for the delay made by the company.
- Pecuniary relationships or transactions with Non-Executive Directors.- **None**

### COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Statutory Auditors of the Company M/s A C Gupta & Associates confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms part of the Annual Report.

**CEO & CFO CERTIFICATION**

The CEO and CFO of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Certificate is annexed hereto and forms part of the Annual Report.

**CODE OF CONDUCT**

The Code of Conduct which has been formulated and implemented for all Board members and Senior Management of the company is in compliance with Clause 49 of the Listing Agreement. All Board members and senior management personnel has affirmed compliance of the "Code of Conduct for members of the Board and Senior Management" for the period in terms of Clause 49(ID)(I) of the Listing Agreement with the Stock Exchanges.

A declaration signed by the CEO & Whole Time Director is given below:

I hereby confirm that:

The Company has obtained affirmation from all the members of the Board and Senior Management that they have complied with the Code of Business Conduct and ethics for Directors and Senior Management in respect of the financial year 2013-14.

**GENERAL BODY MEETINGS**

Location, date and time of the Annual General Meetings held during the preceding 3 financial years are as follows:-

YEAR	AGM/EGM	LOCATION	DATE
2010-2011	AGM	Kalakunj Auditorium, Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	14.07.2011
2011-2012	AGM	Kalakunj Auditorium, Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	02.07.2012
2012-2013	AGM	Kalakunj Auditorium, Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	16.07.2013

**SPECIAL RESOLUTIONS PASSED IN THE LAST 3 AGM'S**

- Re-appointment of Mr. Rajeev Singh Dugal as the Managing Director of the company.
- Re-appointment of Mr. Jasjit Singh Dugal as the Whole Time Director of the company.
- Amendment of Articles of Association to enable the formulation and implementation of Employee Stock Option Scheme.
- Approval of ESOP Plan-2012 by the Shareholders of the Company.
- No Special Resolution was passed at the AGM held on 16<sup>th</sup> July, 2013, for the Financial Year 2012-13.

**POSTAL BALLOT in 2013-14**

- A. Approval of the Members was obtained vide Postal Ballot Notice dated 25<sup>th</sup> November, 2013, under Section 110 of the Act, pertaining to:-
1. Ordinary Resolution under Section 198, 269, 309, 311 read with Schedule XIII of the Companies Act, 1956 for appointment of Mr. Sanjay Tiku as Whole time Director of the Company for a period of 5 years effective from November 13, 2013
  2. Special Resolution under Section 180(1)(c) of Companies Act, 2013 for increase in borrowing limits from Rs.300 Crores to 5,000 Crores.



3. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings in terms of resolution No.(2) above
4. Special Resolution under Section 31 of the Companies Act, 1956 for alteration of the Articles of Association of the Company to include provision of Buy Back.
5. Special Resolution under Sections 17 read with section 146(2) of the Companies Act, 1956 for shifting of Registered Office from State of West Bengal to State of Delhi.
6. Ordinary Resolution under Section 224 (6) (a) of the Companies Act, 1956 for appointment of , M/s A.C. Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company to fill the vacancy caused by the resignation of Statutory Auditors till the next AGM.
7. Special Resolution under Section 17 of the Companies Act, 1956 for alteration of the Object Clause of the Memorandum of Association of the Company
8. Special Resolution under Sections 372 A of the Companies Act, 1956 for increasing the limits of inter corporate loans & investments to Rs. 5,000 crores
9. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for sale of undertakings of the Company

The Board of Directors of the Company appointed Ms. Iqneet Kaur, Practicing Company-Secretary, as the Scrutinizer for conducting the postal ballot voting process. The result of the Postal Ballot was announced on 3<sup>rd</sup> January, 2014 at the Registered Office of the Company as per the Scrutinizer's Report.

**B. Approval for Bonus Issue** - Postal Ballot was also conducted in the month of June-July, 2014, whereby the approval of the members was obtained for the following:-

1. Ordinary Resolution under Section 61(1)(a) of the Companies Act, 2013 to increase the Authorised Capital from Rs. 15 Crores to Rs. 52.5 Crores,
2. Special Resolution under Section 13 & 61 of the Companies Act, 2013 for altering the Authorised Capital Clause of the Memorandum & Articles of Association of the Company.
3. Ordinary Resolution under Section 63 of the Companies Act, 2013 for Issue of Bonus Shares in the ratio 5:2 (5 bonus shares for every 2 fully paid shares held as on record date).

An E-voting facility was also made available to the Members through CDSL. The Board of Directors of the Company appointed Ms. Iqneet Kaur, Practicing Company-Secretary, as the Scrutinizer for conducting the postal ballot voting process. The result of the Postal Ballot was announced on 19<sup>th</sup> July, 2014 at the Registered Office of the Company as per the Scrutinizer's Report.

None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

#### **MEANS OF COMMUNICATION**

- The Company publishes as per the Listing Agreement, the quarterly results in two widely circulated newspapers from Kolkata, namely:

**English Newspaper:** Business Standard/ the Financial Express.

**Bengali Newspaper:** Kalantar

- Shareholding pattern and Quarterly Financial Results are accessible on NSE and BSE website and on the official website of the company.
- Presentations were also made to the analysts, institutional investors, fund managers etc. as per need basis.
- Management's Discussions & Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.



**GENERAL SHAREHOLDERS' INFORMATION**

(i) AGM date, Time and Venue	Saturday, 27 <sup>th</sup> September, 2014 at 10.00 A.M. at Gyan Manch, 11 Pretoria Street, Kolkata - 700 071.
(ii) As required under clause 49IV(G), particulars of Directors seeking appointment/ reappointment are annexed to the notice of the Annual General Meeting to be held on Saturday, 27 <sup>th</sup> September, 2014.	
(iii) Financial Year	The Financial year of the company is from April 1 to March 31, each year.
(iv) <b>Key Financial Reporting Dates for the year 2014-15</b> 1. For the quarter ending June 30, 2014 2. For the quarter ending Sept 30, 2014 3. For the quarter ending Dec 31, 2014 4. For the year ending March 31, 2015	On or before 14.08.2014 On or before 14.11.2014 On or before 14.02.2015 On or before 30.05.2015
(v) Date of Book Closure	<i>The Share Transfer Books and the Register of Members shall remain closed from 24.09.2014 to 27.09.2014 (both days inclusive). Notice to this effect has been sent to all Stock Exchanges where the shares of the company are listed as per the Listing Agreement.</i>

**LISTING ON STOCK EXCHANGE**

<b>A. Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal street, Mumbai 400001	
<b>B. National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra-Kurla Complex Bandra East Mumbai-400051.	
Stock code: Trading Symbol-	BSE : JMT Auto -513691 NSE: JMTAUTO LIMITED Series : EQ
International Security Identification No. (ISIN) in NSDL and CDSL	INE 988E01010

The listing fees for the year 2014 -15 have been paid to the above Stock Exchanges in time as per the listing Agreement.

The Company has paid custodial fees for the year 2014-2015 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them as on 31st March, 2014.

**CREDIT RATING**

CREDIT RATING AGENCY	LONG TERM/ MEDIUM TERM BANK FACILITIES	SHORT TERM BANK FACILITIES
ICRA	[ICRA] BBB+	[ICRA] A2

**MARKET INFORMATION:**
**BOMBAY STOCK EXCHANGE LIMITED**

High, Low (based on closing prices) and average volume and average number of trades during each month in last financial year 2013-14.

MONTH	Bombay Stock Exchange			National Stock Exchange		
	HIGH (Rs.)	LOW (Rs.)	VOLUME OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	VOLUME OF SHARES TRADED
APRIL, 2013	104.35	89.45	17,832	97.40	92.90	4266
MAY, 2013	118.95	82.70	1,26,593	101.50	97.17	6,906
JUNE, 2013	121.95	69.40	1,22,398	93.71	90.62	17,126
JULY, 2013	128.00	117.10	82,657	126.87	121.51	23,385
AUGUST, 2013	130.60	120.00	82,025	126.87	121.51	NIL
SEPTEMBER, 2013	138.00	100.10	28,72,029	126.87	121.51	NIL
OCTOBER, 2013	109.00	103.00	3,496	126.87	121.51	NIL
NOVEMBER, 2013	153.00	93.30	27,922	126.87	121.51	NIL
DECEMBER, 2013	150.10	122.60	13,42,640	126.87	121.51	NIL
JANUARY, 2014	168.00	133.25	18,170	154.82	149.00	1,791
FEBRUARY, 2014	160.00	147.70	10,865	156.30	152.06	982
MARCH, 2014	180.00	130.50	52,070	164.00	154.44	3,218

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014**

The Distribution of Shareholding as on 31<sup>st</sup> March, 2014 is as follows:-

RANGE OF SHARES	SHARES	FOLIOS	% SHARES	% FOLIOS
1-500	764658	6746	5.3119	97.6266
501-1000	80896	93	0.5620	1.3459
1001-2000	48394	32	0.3362	0.4631
2001-3000	32760	13	0.2276	0.1881
3001-4000	24973	7	0.1735	0.1013
4001-5000	23200	5	0.1612	0.0724
5001-10000	25280	4	0.1756	0.0579
10001-50000	77230	5	0.5365	0.0724
50001-100000	63065	1	0.4381	0.0145
ABOVE 100000	13254748	4	92.0775	0.0579
<b>TOTAL</b>	<b>14395204</b>	<b>6910</b>	<b>100.00</b>	<b>100.00</b>



**REGISTRAR AND SHARE TRANSFER AGENTS**

Members are requested to correspond with the Company's Registrar & Share Transfer Agents for both connectivity (Physical and Electronic)

**C B Management Services Pvt. Ltd.**  
P- 22, Bondel Road  
Kolkata – 700 019  
Telephone: 033-40116722/40116726  
Fax: (033) 2287 0263  
E-mail: rta@cbmsl.com

**SHARE TRANSFER SYSTEM**

Shares lodged for transfer at the Registrar's address are normally processed within 15 days, from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 7 days. Grievances received from members and other miscellaneous correspondence regarding change of address, mandates, etc. are processed by the Registrars within 7 days.

**SHAREHOLDERS' SERVICES, ENQUIRIES & COMPLAINTS:**

It has been our endeavor to provide prompt, efficient and satisfactory services to our esteemed shareholders. We have taken special care in answering the queries of shareholders within the shortest possible time frame. We provide shareholder services in the following time frame:

Nature of Query	No. of days for Disposal
Share Transfers	15 days
Demat of Shares	15 days
Dividend Revalidation	15 days
Issue of New Shares on surrender of old	15 days
Change of address/ Bank Mandate	7 days
General Queries	7 days

**SHAREHOLDING PATTERN**

The shareholding pattern in the Company as on 31<sup>st</sup> March, 2014

CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
<b>A. PROMOTERS HOLDING</b>		
1. INDIAN		
Individuals/HUF	0	0
Bodies Corporate	10326063	71.73
Sub-Total	<b>10326063</b>	<b>71.73</b>
2. FOREIGN	0	0
<b>Total Shareholding of Promoter &amp; Promoter Group</b>	<b>10326063</b>	<b>71.73</b>



<b>B. PUBLIC SHAREHOLDING</b>		
<b>1. Institutions</b>		
Mutual Funds and UTI	800	0.01
Foreign Institutional Investors	2928685	20.34
<b>2. Non-Institutions</b>		
a. Bodies Corporate	138014	0.96
b. Individuals		
Holding nominal share capital up to Rs.1 lac	914338	6.35
Holding nominal share capital in excess of Rs.1 lac	32500	0.23
<b>c. Any other</b>		
Non-resident Indians	53748	0.37
Foreign Bodies Corporate/ OCB		
Clearing Members	1056	0.01
<b>Sub –Total</b>	<b>4069141</b>	<b>28.27</b>
<b>C. Shares held by custodians &amp; against which Depository receipts have been issued</b>	–	–
<b>GRAND TOTAL</b>	<b>14395204</b>	<b>100.00</b>

#### DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are compulsorily traded in dematerialized form as per SEBI guidelines with effect from 25<sup>th</sup> January, 2002.

The Company's shares are traded in the depository systems of both NSDL and CDSL. As on 31<sup>st</sup> March, 2014, 95.66 % of the equity capital exists under the electronic form. The equity shares of the Company are actively traded on BSE and NSE.

#### PLANT'S LOCATIONS

The Company has the following manufacturing and operating divisions:

Sl. No.	Work Unit Description	Location /Address
(i)	Works (Unit-I)	A-20, Phase-1 Industrial Area, Adityapur, Jamshedpur - 832109
(ii)	Works (Unit II & III)	C-19 &20, D-2-3, D-8-12, NS-29-34, 7 <sup>th</sup> Phase, Industrial Area, Adityapur, Jamshedpur-832109.
(iii)	Work Unit – IV (Foundry)	Notandih, Kandra Chauka Main Road, Dist: Seraikela, Kharsawan
(iv)	Works Unit-V (Forging )	A-45, A-46, A-47, A-48(P) & M-2 At Large Sector, Gamharia.
(v)	Works (Unit -VI)	NS-57, 7 <sup>th</sup> PHASE, Industrial Area, Adityapur, Jamshedpur- 832109



(vi)	Works (Unit -VII) Lucknow	Village – Naubasta, Kalan, Lucknow, On Line Mark (Deva to NaubastaMarg) Uttar Pradesh
(vii)	Works (Unit – VIII) (Dharwad)	1. Plot No. 222, KIADB, Belur Industrial Growth Centre Dharwad-580011, Karnataka
		2. Plot No. 224-A, KIADB, Belur Industrial Growth Centre, Dharwad – 580 011, Karnataka
		3. Block No. 2, KIADB, Belur Industrial Estate, Garag Road, Mummigatti, Dharwad – 580007, Karnataka

**INVESTORS' CORRESPONDENCE**

Transfer of shares and communication regarding share certificates, dividends and change of address and any other queries relating to the shares of the Company.	(i)	Company-Secretary JMT AUTO LIMITED C-19 & 20, 7 <sup>th</sup> Phase, Industrial Area Adityapur, Jamshedpur- 832109 Phone No. : (0657) 662 6340 Fax : (0657) 2200 749 E-mail : <b>mona.bahadur@amtek.com</b>
	(ii)	Registrar & Share Transfer Agent C B Management Services Pvt. Ltd. P- 22, Bondel Road Kolkata – 700 019 Telephone : (033) 40116700 Fax : (033) 2287 0263 E-mail : <b>rta@cbmsl.com</b>
	(iii)	JMT Auto Limited 224, A.J.C. Bose Road, Krishna Building, 9 <sup>th</sup> Floor, Room No.902, Kolkata-700017 Telephone : (033) 66121033

**TRANSFER OF UNPAID /UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

During the Financial year 2013-14, unpaid / unclaimed dividend for the year 2005-06 amounting to Rs. 3, 64,565.00 only (Rupees Three lacs sixty-four thousand five hundred sixty-five only) was transferred to the Investor Education and Protection Fund established by Central Government pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

Further in the year 2013-14 also amount remaining unclaimed and unpaid for a period of seven years from the date they become due for payment is required to be transferred to Investor Education and Protection Fund and no claim shall lie against the Fund or the Company in respect of individual amounts which are transferred to Investor Education and Protection Fund. In view of this, the members are requested to claim the amount belonging to them, lying in the Unpaid Dividend accounts by making a request addressing to:

- 1.) M/s C.B. Management Services (P) Limited  
Registrar and Share transfer Agents  
P-22, Bondel Road  
Kolkata-700019



Or

- 2.) Company Secretary  
JMT Auto Limited  
Room No. -9, 9th Floor  
Krishna Building  
224, AJC Bose Road  
Kolkata-700017

**DATES FOR TRANSFER OF UNPAID DIVIDEND TO IEPF**

Year	Nature of Dividend	Date of Declaration	Date after which Unpaid amount be transferred to IEPF within 30 days from
2006-07	Final	25 <sup>th</sup> August, 2007	25 <sup>th</sup> August, 2014
2007-08	Final	12 <sup>th</sup> September, 2008	12 <sup>th</sup> September, 2015
2008-09	Final	25 <sup>th</sup> August, 2009	25 <sup>th</sup> August, 2016
2009-10	Final	29 <sup>th</sup> July, 2010	29 <sup>th</sup> July, 2017
2010-11	Final	14 <sup>th</sup> July, 2011	14 <sup>th</sup> July, 2018
2011-12	Final	2 <sup>nd</sup> July, 2012	2 <sup>nd</sup> July, 2019
2012-13	Final	16 <sup>th</sup> July, 2013	16 <sup>th</sup> July, 2020

**SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL**

The Securities and Exchange Board of India has directed vide circular no. D&CC/FITTC/CIR – 16/2002 dated December 31, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories viz. NSDL and CDSL and in physical form with the total issued/ paid up capital.

In compliance with this requirement, the company has submitted a certificate duly certified by a qualified practicing company secretary, to the stock exchanges where securities of the company are listed within 30 days of the end of each quarter and the certificates were also placed before the Board of Directors of the company from time to time.

**By order of the Board of Directors**

Place : New Delhi  
Date : 02.09.2014

Sd/-  
Mona K Bahadur  
Company Secretary & Compliance Officer



## CERTIFICATION BY CEO & CFO OF THE COMPANY

To,  
The Board of Directors  
JMT Auto Limited,  
224, A.J.C. Bose Road,  
Krishna Building,  
9<sup>th</sup> Floor, Room No.902,  
Kolkata-700017

Dear Sirs,

In terms of Clause 49 of the Standard Listing Agreement, I, Sanjay Tiku, CEO & Whole Time Director and I, Sandeep Singh Surya, CFO, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and to the best of our knowledge, belief and information:
  - i) These statements do not contain any materially untrue statements or omit any material facts 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) To the best of our knowledge, belief and information no transactions entered into by the Company during the financial year 2013-14 are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and that We have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
- (d) We have indicated to the auditors and the Audit Committee:
  - i. Significant changes in the internal control during the year
  - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (e) We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board members and senior management personnel have affirmed compliance of Code of Conduct for the year 2013-14.

**For JMT AUTO LIMITED**

Place : New Delhi  
Date : 02.09.2014

Sd/-  
**Sandeep Singh Surya**  
CFO

Sd/-  
**Sanjay Tiku**  
CEO & Whole Time Director  
DIN – 00300566



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### CERTIFICATE

#### To the Members of JMT Auto Limited

We have examined the compliance of conditions of Corporate Governance by JMT Auto Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange.

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 expression of opinion on the Financial Statements of the Company.

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

We further state that such compliance is neither an assurance as to the future viability of JMT Auto Ltd. nor the efficiency with which the Management has conducted the affairs of the Company.

**For A C Gupta & Associates**  
Chartered Accountants  
(Registration No. 008079N)

**Place : New Delhi**  
**Date : 02.09.2014**

Sd/-  
**Pankaj Mahajan**  
Partner  
(Membership No. 091876)



## INDEPENDENT AUDITORS' REPORT

### To Members of JMT AUTO LIMITED

Report on the financial Statements

We have audited the accompanying financial statements of **JMT Auto Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the statement of Profit and Loss and the Cash Flow statement for the year than ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

### Opinion

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

- i. In the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March, 2014;
- ii. In the case of the Statement of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order"), as amended, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the order.



2. As required by Section 227 (3) of the Act, we report that:
- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit & loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, taken on record by the board or Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause Section 274(1) (g) of the Companies Act, 1956.

**For A. C. Gupta & Associates**  
Chartered Accountants  
(Firm Registration No. 008079N)

**Place : New Delhi**  
**Date : May 08, 2014**

Sd/-  
**Pankaj Mahajan**  
Partner  
(Membership No. 091876)



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Legal and Regulatory Requirements' section of our report of even date)

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, major fixed assets have been physically verified & reconciled at such intervals, as considered appropriate by the Management and no material discrepancy has been observed. In our opinion, the frequency of physical verification of such assets is reasonable having regard to the size of the Company and nature of its fixed assets. In case of other assets, we have been explained that the management intends to carry out a thorough physical verification & reconciliation thereof and to determine the impaired assets, if any.

The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii. a) We have been explained that the inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of physical verification is reasonable.
  - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable 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 have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the company has not granted/ taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of clauses 4 (iii) (b), (c), (d), (e) and (f) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- iv. On the basis of our evaluation of internal control system and according to the information and explanation given to us, having regard to the explanation that some of the item purchased are of a standard product and alternative source do not exist for obtaining quotations thereof, or items subject to Government price control where no comparison is possible, it appears that there are reasonable internal control procedures commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. a) As per information and explanations given to us, all the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in to the register maintained under that section are being so entered.
  - b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company, during the year under report, has not accepted any deposits from the public under Section 58A and 58AA of the Companies Act, 1956.
- vii. In our opinion the Company has a proper and effective internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies



Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- ix. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and other Statutory Dues with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Sales tax, Income tax, Customs duty, Wealth tax, Service tax, Excise duty, Cess, and other material statutory dues in arrears as at 31<sup>st</sup> March, 2014, for a period of more than six months from the date they become payable.
- c) There are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2014 on account of disputes.
- x. Company has no accumulated losses as at 31<sup>st</sup> March, 2014 and it has not incurred cash losses in the financial year ended on that date or in the immediate preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- xii. According to the information and explanation given to us, the company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others bank or financial institutions.
- xvi. In our opinion and according to information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that 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. According to the information and explanations given to us and the records examined by us, the Company has not issued any Secured Debentures during the year.
- xx. The Company has not raised any money by public issue during the year under report.
- xxi. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For A. C. Gupta & Associates**  
Chartered Accountants  
(Firm Registration No. 008079N)

**Place : New Delhi**  
**Date : May 08, 2014**

Sd/-  
**Pankaj Mahajan**  
Partner  
(Membership No. 091876)



**CONDENSED BALANCE SHEET AS AT 31ST MARCH 2014**  
(All amounts in Rs. Lakhs, unless stated otherwise)

	Notes	As at 31.03.2014	As at 31.03.2013
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	03	1,439.52	1,439.52
(b) Reserves and Surplus	04	13,518.90	12,802.37
		<u>14,958.42</u>	<u>14,241.89</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	05	8,439.76	6,847.63
(b) Deferred Tax Liabilities (net)	06	2,266.21	2,366.86
(c) Long-Term Provisions	07	21.08	62.05
		<u>10,727.05</u>	<u>9,276.54</u>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	08	7,053.74	7,101.22
(b) Trade Payables	09	8,387.58	3,886.88
(c) Other Current Liabilities	10	11,494.90	2,254.31
(d) Short-Term Provisions	11	323.87	337.99
		<u>27,260.09</u>	<u>13,580.40</u>
<b>TOTAL</b>		<u>52,945.56</u>	<u>37,098.83</u>
<b>(II) ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12A	21,044.96	21,264.75
(ii) Intangible Assets	12B	36.90	52.17
(iii) Capital Work-in-Progress		7.54	163.09
		<u>21,089.40</u>	<u>21,480.01</u>
(b) Non-Current Investments	13	6.15	6.15
(c) Long-Term Loans and Advances	14	10,397.66	1,169.31
(d) Other Non-Current assets	15	4.97	95.85
		<u>31,498.18</u>	<u>22,751.32</u>
<b>(2) Current assets</b>			
(a) Inventories	16	10,275.72	9,570.16
(b) Trade Receivables	17	6,864.89	3,698.65
(c) Cash and Bank Balances	18	2,013.33	152.26
(d) Short-Term Loans and Advances	19	2,223.50	868.97
(e) Other Current Assets	20	69.94	57.47
		<u>21,447.38</u>	<u>14,347.51</u>
<b>TOTAL</b>		<u>52,945.56</u>	<u>37,098.83</u>

The notes referred to above form an integral part of Condensed Balance Sheet

In terms of our report attached

For and on behalf of the Board of Directors

**For A.C. Gupta & Associates**

Chartered Accountants  
Partner

Sd/-  
**Sandeep Singh Surya**  
CFO

Sd/-  
**Mona K Bahadur**  
Company Secretary

Sd/-  
**Gautam Malhotra**  
Director  
DIN - 00157488

Sd/-  
**Sanjay Tiku**  
Director  
DIN - 00300566

New Delhi, May 8, 2014



**CONDENSED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014**  
(All amounts in Rs. Lakhs, unless stated otherwise)

	Note	Year ended 31.03.2014	Year ended 31.03.2013
<b>I Revenue from Operations (gross)</b>	23	<b>31,119.91</b>	33,502.34
Less: Excise Duty		<b>2,540.36</b>	2,817.68
Revenue from Operations (net)		<b>28,579.55</b>	30,684.66
<b>II Other Income</b>	24	<b>698.05</b>	1,368.96
<b>III Total Revenue (I + II)</b>		<b>29,277.60</b>	32,053.62
<b>IV EXPENSES</b>			
(a) Cost of Materials Consumed	25	<b>12,686.65</b>	12,611.18
(b) Changes in Inventories of Finished Goods and Work in Progress	26	<b>(98.29)</b>	442.36
(c) Employee Benefits Expense	27	<b>1,461.53</b>	1,430.11
(d) Finance Costs	28	<b>2,148.50</b>	1,906.50
(e) Depreciation and Amortization Expense	12C	<b>1,829.08</b>	2,162.67
(f) Other Expenses	29	<b>10,645.17</b>	11,968.97
<b>Total Expenses (IV)</b>		<b>28,672.64</b>	30,521.79
<b>V Profit Before Tax (III - IV)</b>		<b>604.96</b>	1,531.83
<b>VI Provision for Taxation</b>	30	<b>(100.65)</b>	329.75
Current Tax		<b>122.65</b>	306.15
Less: MAT Credit Entitlement		<b>(122.65)</b>	(306.15)
Deferred Tax		<b>(100.65)</b>	329.75
<b>Total tax expense</b>		<b>(100.65)</b>	329.75
<b>VII Profit for the Year (V - VI)</b>		<b>705.61</b>	1,202.08
<b>VIII Earnings per Equity Share:</b>			
(1) Basic (Face value Rs. 10/- each)	32	<b>4.90</b>	8.35
(2) Diluted (Face value Rs. 10/- each)	32	<b>4.83</b>	8.23

The Notes referred to above form an integral part of the Condensed Statement of Profit and Loss

In terms of our report attached

For and on behalf of the Board of Directors

**For A.C. Gupta & Associates**

Chartered Accountants  
Partner

New Delhi, May 8, 2014

Sd/-  
**Sandeep Singh Surya**  
CFO

Sd/-  
**Mona K Bahadur**  
Company Secretary

Sd/-  
**Gautam Malhotra**  
Director  
DIN - 00157488

Sd/-  
**Sanjay Tiku**  
Director  
DIN - 00300566



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**  
(All amounts in Rs. Lakhs, unless stated otherwise)

	Year ended 31.03.2014	Year ended 31.03.2013
<b>A. Cash Flow from Operating activities:</b>		
Profit Before Tax	604.96	1,531.83
Adjustments for:		
Depreciation and amortisation expense	1,829.08	2,162.67
Mark to market (M to M) loss on derivative contracts	-	109.75
Finance costs (Other than M to M Loss)	2,148.50	1,796.75
Bad Debts written off	0.21	129.93
Advances written off	-	12.79
Interest income	(35.49)	(26.88)
Unrealised exchange loss gain	11.85	(104.72)
Loss on Disposal of Fixed Assets	0.64	0.37
Employee stock option expense	10.66	9.06
Liabilities no longer required written back	0.16	(6.45)
<b>Operating profit/(loss) before working capital changes</b>	<b>4,570.56</b>	<b>5,615.10</b>
Adjustments for (increase)/decrease in operating assets		
Inventories	(705.56)	739.44
Trade receivables	(3,218.21)	496.92
Short-term loans and advances	(1,379.20)	302.15
Long-term loans and advances	(9,308.91)	(80.08)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	4,508.99	(2,166.90)
Other current liabilities	9,490.61	28.22
Short-term provisions	0.18	(0.05)
Long-term provisions	(40.97)	22.13
<b>Cash from operations</b>	<b>3,917.49</b>	<b>4,956.93</b>
Direct taxes (paid)	(149.55)	(255.26)
<b>Net cash from operating activities</b>	<b>3,767.94</b>	<b>4,701.67</b>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of fixed assets	(1,230.34)	(2,095.20)
Sale of fixed assets	15.79	3.63
Purchase/sale of Investments	-	(5.00)
Fixed Deposit placed with banks having original maturity over three months	(6.52)	(40.64)
Fixed Deposit placed with banks matured having original maturity over three months	-	64.34
Interest received from investments / agencies (Bank etc.)	48.36	42.14
<b>Net cash (used in) investing activities</b>	<b>(1,172.71)</b>	<b>(2,030.73)</b>
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from long term borrowings	3,365.12	3,566.03
Repayment of long term borrowings	(1,944.74)	(2,543.54)
Proceeds from short term borrowings	10,050.00	17,000.00
Repayment of short term borrowings	(9,000.00)	(16,200.00)
Net (decrease)/increase in overdraft/cash credit facilities	(1,097.48)	(2,775.60)
Finance costs paid	(2,028.38)	(1,898.19)
Dividend Paid (Including Corporate Dividend Tax)	(85.19)	(167.41)
<b>Net cash (used in) financing activities</b>	<b>(740.68)</b>	<b>(3,018.71)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>1,854.55</b>	<b>(347.77)</b>
<b>Cash and cash equivalents as at start of the year</b>	<b>79.35</b>	<b>427.12</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>1,933.90</b>	<b>79.35</b>

**Reconciliation of Cash and cash equivalents with the Balance Sheet:**

Cash and cash equivalents (Refer Note 18)	2,013.33	152.26
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		(i)
In other deposit accounts	79.43	72.91
- original maturity more than 3 months		

Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18

1,933.90 79.35

**Notes:**

- Includes cash on hand and balance in current accounts with banks
- Figures in brackets represent outflows

In terms of our report attached

For and on behalf of the Board of Directors

**For A.C. Gupta & Associates**

Chartered Accountants  
Partner

Sd/-  
Sandeep Singh Surya  
CFO

Sd/-  
Mona K Bahadur  
Company Secretary

Sd/-  
Gautam Malhotra  
Director  
DIN - 00157488

Sd/-  
Sanjay Tiku  
Director  
DIN - 00300566

New Delhi, May 8, 2014



**Notes forming part of the financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**1. Corporate Information**

JMT Auto Limited incorporated as Public Limited Company is into the business of manufacturing of Auto Components. The core competency of the Company is into manufacturing of Gear and Transmission parts. The Manufacturing facilities are located in Jamshedpur, Jharkhand and Dharwad, Karnataka. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

**2. Summary of significant accounting policies**

**Basis of accounting and preparation of financial statements and use of estimate**

- 2.1** The financial statements are prepared under historical cost convention on going concern and on accrual basis and are in compliance with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.
- 2.2** The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.3 Revenue Recognition**

**Sales of goods**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards to the buyer, which generally coincides with delivery. Gross Sale represent the invoice value of goods sold, net of trade discount, rejections and sale returns but includes excise duty. Export entitlements are recognized after completion of related exports on certainty.

**Sale of Services**

Revenue from sale of services recognised on basis of completion of service

**Other income**

Interest income is accounted on accrual basis.

**2.4 Fixed Asset (Tangible and Intangible)**

- a) Fixed Assets (comprising both tangible and intangible) are stated at cost of acquisition / construction inclusive of duties (net of CENVAT), taxes, incidental expenses and erection / commissioning expenses up to the date the asset is ready for intended use.

**2.5 Depreciation**

- a) Depreciation (including amortization) is provided using straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, except for certain items of Plant and Machinery, which are depreciated @ 20% on Straight Line method. Leasehold Land is being amortized over the tenure of respective leases.
- b) Additions / deletions during the year are depreciated pro-rata from the date of such addition /deletion except assets costing below Rs. 5000/- which are fully depreciated in the year they are put to use.



- c) Intangible assets are amortised over their estimated useful life as follows:

Software- 5 Years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

## 2.6 Foreign Currency Transaction

- a) Foreign Currency transactions during the year are recorded at the rates of exchange prevailing on the date of transactions.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is amortized over the life of the contract.

### Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

### Derivative Contracts:

Derivative contracts entered by the Company in the nature of Options and Swaps which are not intended to hedge its existing assets and liabilities are marked-to-market on a portfolio basis and losses, if any, are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence. The same is in compliance with the announcement of the Institute of Chartered Accountants of India dated March 20, 2008 on accounting of derivatives.

## 2.7 Government grants, subsidies and export incentives

Government grants:

- a) Government grants in the nature of promoters' contribution are credited to Capital Reserve.
- b) Government grants related to fixed assets are adjusted with the value of fixed assets/ credited to capital reserve.
- c) Government grants related to revenue items are adjusted with the related expenditure/ taken on income.

Export Incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## 2.8 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in production in inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Work-in-progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished Goods includes Excise Duty and is determined on a weighted average basis estimated costs necessary to make the sale.

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

## 2.9 Investment

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

## 2.10 Retirement Benefits

### (a) Short term benefits

The undiscounted amount of short - term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

### (b) Post Employment Benefit plans :

Contributions under Defined Contribution plans payable in keeping with the related schemes are recognized as expense for the year. For Defined Benefit plans, the cost of providing benefits is determined using the projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur, past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight - line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

### (c) Other Long - term Employee Benefits ( unfunded ) :

The cost of providing long - term employee benefits is determined using projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognized immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognized in the Balance Sheet represents the present value of related obligation.

## 2.11 Income Taxes

- (a) Tax expense comprises of Current and Deferred Tax. Current Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.
- (b) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the Financial Statements. Deferred tax assets are reviewed at each Balance Sheet date to reassess realization.
- (c) Minimum Alternative Tax (MAT) Credit Entitlement available under provision of Section 115JB of the Income Tax Act 1961 is recognised to the extent that there is convincing evidence that the Company will pay normal income tax during the specified future period. Management reviews the carrying amount of MAT credit entitlement at each balance sheet date and write down the carrying amount to the extent that there is no longer convincing evidence that the Company will pay normal income tax during the specified future period.

## 2.12 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is an asset that takes necessarily substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit and Loss.



### **2.13 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

### **2.14 Impairment of Asset**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company’s fixed assets. If any indication exists, an asset’s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

### **2.15 Provisions and Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

### **2.16 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### **2.17 Stock based Compensation:**

Employee Stock Option Plans (“ESOPs”):

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company’s shares on the date of the grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised uniformly over the vesting period of the options.



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**03 Share Capital**

	As at 31.03.2014	As at 31.03.2013
<b>(a) Authorised:</b>		
<b>15,000,000</b> (31.03.2013: 15,000,000 ) Equity Shares of Rs. 10 each	<b>1,500.00</b>	1,500.00
	<b>1,500.00</b>	1,500.00
<b>(b) Issued, Subscribed and Fully Paid up:</b>		
<b>14,395,204</b> (31.03.2013: 14,395,204) Equity Shares of Rs. 10 each	<b>1,439.52</b>	1,439.52
Refer Notes (i) to (iv) below		

**3(i) Reconciliation of number of Equity Shares**

	As at 31.03.2014	As at 31.03.2013
Balance as at the beginning of the period/year	<b>14,395,204.00</b>	14,395,204.00
<b>Balance as at the end of the period/year</b>	<b>14,395,204.00</b>	14,395,204.00

**3.(ii) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**3 (iii) Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the Share holders	No. of Shares held	As at 31.03.2014		As at 31.03.2013	
		% of Holding	No. of Shares held	% of Holding	No. of Shares held
Amtek Auto Limited	<b>10,326,063.00</b>	<b>71.73%</b>	-	<b>0.00%</b>	-
Hypnos Fund Limited	<b>1,393,580.00</b>	<b>9.68%</b>	-	<b>0.00%</b>	-
Lts Investment Fund Ltd.	<b>1,086,556.00</b>	<b>7.55%</b>	-	<b>0.00%</b>	-
RSD Finance Limited	-	<b>0.00%</b>	<b>5,197,100.00</b>	<b>36.10%</b>	-
Bach Limited	-	<b>0.00%</b>	<b>4,387,491.00</b>	<b>30.48%</b>	-
Rajeev Singh Dugal	-	<b>0.00%</b>	<b>1,323,626.00</b>	<b>9.19%</b>	-
<b>Total</b>	<b>12,806,199.00</b>	<b>88.96%</b>	<b>10,908,217.00</b>	<b>75.78%</b>	-

**3 (iv) Shares reserved for issuance under Stock Option Plans of the Company**

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares		No. of Shares	
JMT Auto Employee Stock Option Plan 2012	<b>400,000.00</b>		<b>400,000.00</b>	



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**04 Reserves and Surplus**

	As at 31.03.2014	As at 31.03.2013
<b>A. Capital Reserve</b> (at the beginning and end of the period/year)	<b>525.50</b>	525.50
<b>B. Securities Premium Account</b> (at the beginning and end of the period/ year)	<b>4,198.21</b>	4,198.21
<b>C. Employee Stock Options Outstanding</b>		
<b>i) Employees Stock Options Outstanding</b>		
Balance as per last Balance Sheet	27.30	–
Add: Options granted during the period/ year	(3.64)	27.30
Balance as at the period/year end (A)	<b>23.66</b>	<b>27.30</b>
<b>ii) Deferred Employees Stock Options Cost</b>		
Balance as per last Balance Sheet	18.24	–
Add: Options granted during the period/ year	(3.64)	27.30
Less: Amortised during the period/ year	10.66	9.06
Balance as at the period/year end (B)	<b>3.94</b>	<b>18.24</b>
<b>(A-B)</b>	<b>19.72</b>	9.06
<b>D. General Reserve</b> (at the beginning and end of the period/year)	<b>1,097.94</b>	1,097.94
<b>E. Surplus in the Statement of Profit and Loss</b>		
Opening Balance	<b>6,971.92</b>	5,853.22
Add: Profit for the period/year	<b>705.61</b>	1,202.08
Less: Proposed Dividend on Equity Shares for the year	–	71.97
Tax on proposed equity dividend	–	11.67
<b>Closing Balance</b>	<b>7,677.53</b>	<b>6,971.64</b>
<b>Total Reserve and Surplus</b>	<b>13,518.90</b>	<b>12,802.37</b>



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**05 Long Term Borrowings**

	As at 31.03.2014	As at 31.03.2013
<b>I. Secured</b>		
Term Loans		
1 From Banks		
i) State Bank Of India (SBI) * (1)	2,657.99	1,889.88
ii) IDBI Bank Limited (IDBI) * (1)	2,594.76	1,471.16
iii) Bank of India (BOI) * (2)	1,085.01	1,256.14
iv) HDFC Bank Limited (3)	18.26	4.22
2 From Others		
– Tractors and Farm Equipment Limited (TAFE) (4)	(0.00)	110.92
– L&T Finance Ltd (5)	862.48	1,035.00
– Tata Capital Limited * (5)	720.00	1,080.00
– Tata Motors Finance Limited (TMF) (3)	–	0.31
<b>Total Secured Borrowings</b>	<b>7,938.51</b>	<b>6,847.63</b>
<b>II. Unsecured</b>		
(a) Term Loan		
(i) Loan from AMTEK Auto Ltd	501.25	–
<b>Total Unsecured Borrowings</b>	<b>501.25</b>	<b>–</b>
<b>Total Long Term Borrowings</b>	<b>8,439.76</b>	<b>6,847.63</b>

**Notes:**

- Term Loans from Banks (SBI and IDBI) including FCNRB loan from SBI are secured by a first pari passu charge over entire fixed assets of the Company both present and future except for the assets exclusively financed out of the loans from other banks and others along with second pari passu charge on entire current assets of the Company.

Term Loan from SBI are covered by a letter of comfort from Amtek Auto Ltd.

Loans from SBI are repayable in quarterly instalments (ranging between 1 and 34) with effect 1st April, 2012 and carrying variable rate of interest, presently ranging between 12.70% and 14.45%.

Loans from IDBI are repayable in quarterly instalments (ranging between 16 and 18) with effect from 1st April, 2010 and carrying variable rate of interest, presently ranging between 13.00% and 13.50%.

- Term Loan from Banks (BOI) are secured by First pari passu charge on Plant & Machinery Purchased out of Bank of India Finance and 2nd Paripassu charge on the remaining Block of assets of the Company.

Loan is repayable in 20 quarterly instalments from 30th September, 2012 and carrying variable rate of interest, presently ranging between 12.75% to 13.00%.

- Loans from HDFC Bank Limited and TMF are secured by way of hypothecation on the Vehicles financed by them.



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

Loan from HDFC Bank Limited is repayable in 36 monthly instalments commenced from 7th December, 2010 and carrying fixed rate of interest of 10%.

Loan from TMF is repayable in 36 monthly instalments commenced from 7th August, 2011 and carrying fixed rate of interest of 13.5%

4. Term Loan from Others (Tractors and Farm Equipment Limited ) is secured by hypothecation of certain Machineries. Loans are repayable in 36 quarterly instalments commenced from 1st October, 2011 and carrying fixed rate of interest of 10%.
5. Term Loans from L&T Finance Ltd is secured by a first pari passu charge over moveable and immoveable fixed assets of the Company both present and future. Term Loan from Tata Capital is secured by 1st paripassu charge with other banks/FIs on entire Fixed assets of the Company but excluding the assets specifically charges / proposed charged to other Banks or Financial Institutions. Further the above Term Loan from Tata Capital Ltd is also covered by a letter of comfort from Amtek Auto Ltd.

Loan from L&T Finance is repayable in 24 quarterly instalments commenced from 13th May, 2013 and carrying fixed rate of interest of 13%.

Loan from Tata Capital is repayable in 18 quarterly instalments commenced from 15th December, 2012 and carrying variable rate of interest, presently at 13.50%.

**06 Deferred Tax Liabilities (net)**

	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax Liability</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	<b>2,570.75</b>	2,423.00
<b>Gross Deferred Tax Liability</b>	<b>2,570.75</b>	<b>2,423.00</b>
<b>Deferred Tax Asset</b>		
Provision for Gratuity	<b>(2.01)</b>	11.09
Provision for Compensated absence	<b>9.31</b>	9.44
Unabsorbed depreciation	<b>212.00</b>	-
Mark to Market (M to M) Loss on Derivative Contract	<b>85.25</b>	35.61
<b>Gross Deferred Tax Asset</b>	<b>304.54</b>	56.14
<b>Total deferred tax Liabilities (Net)</b>	<b>2,266.21</b>	<b>2,366.86</b>

**07 Long-Term Provisions**

	As at 31.03.2014	As at 31.03.2013
(a) Provision for employee benefits		
(i) Gratuity	<b>(6.20)</b>	34.17
(ii) Compensated Absences	<b>27.28</b>	27.88
<b>Total Long-Term Provisions</b>	<b>21.08</b>	<b>62.05</b>



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**08 Short Term Borrowings**

	As at 31.03.2014	As at 31.03.2013
<b>I. Secured</b>		
Loan Repayable on Demand From Banks		
(1) State Bank of India* (1)		
i) Cash Credit	955.59	974.09
(2) IDBI Bank Limited * (2)		
i) Cash Credit	584.74	30.74
ii) Pre Shipment Credit Facility (PCFC)	1,067.53	1,628.78
iii) Short Tem Loan	2,350.00	1,300.00
(3) Bank of India (BOI) * (3)		
i) Cash Credit	496.82	277.65
(4) Axis Bank * (4)		
i) Cash Credit	99.72	189.96
ii) Working Capital Demand Loan	1,499.34	2,700.00
<b>Total Short Term Borrowings</b>	<b>7,053.74</b>	<b>7,101.22</b>
<b>Total Short Term Borrowings</b>	<b>7,053.74</b>	<b>7,101.22</b>

**Notes:**

- All the above facilities from SBI are secured by first pari passu charges on all current assets and second paripassu charge on entire fixed asset of the Company, both present and future.
- All the above facilities from IDBI are secured by first pari passu charges on all current assets and second paripassu charge on entire fixed asset of the Company, both present and future.
- Working capital facilities from BOI are secured by first pari passu charge on entire current assets of the Company both present and future and second pari passu charge on the remaining block of assets.
- Working Capital facilities from Axis Bank Ltd are secured by first pari passu charge on all the current assets of the company and second pari passu charge on all the fixed assets, present and future, of the company.

\* The loans are also covered by a letter of comfort from Amtek Auto Ltd.

**Notes forming part of the Condensed financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**09 Trade payables**

	As at 31.03.2014	As at 31.03.2013
Trade Payables		
Acceptances	1,241.51	1,237.25
Other than Acceptances	7,146.07	2,649.63
<b>Total Trade Payables</b>	<b>8,387.58</b>	<b>3,886.88</b>

- (i) Acceptances comprise of Rs. 367.72 lakhs and Rs. 400.93 lakhs (31.03.13 Rs. 489.62 lakhs and Rs. 747.63 lakhs) discounted from SIDBI and IDBI Bank Limited respectively.

**10 Other Current Liabilities**

	As at 31.03.2014	As at 31.03.2013
(a) Current maturities of long-term debt (Refer note 5)	1,685.60	1,888.81
(b) Interest accrued and not due on borrowings	13.29	34.63
(c) Interest accrued and due on borrowings	40.10	51.64
(d) Unpaid dividends*	16.60	18.14
(e) Advances received from customers	53.86	10.82
(f) Other Payable		
i) Statutory Dues (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	34.39	59.31
ii) Payables on purchase of fixed assets	116.12	128.51
iii) Other credit balances **	9,534.94	62.45
<b>Total Other Current Liabilities</b>	<b>11,494.90</b>	<b>2,254.31</b>

During the quarter ended 31st December, 2013, the Company also transferred Rs. 364, 565 (Rupees Three Lacs Sixty-four Thousand Five Hundred Sixty-Five only) lying in the unpaid dividend account of FY 2005-06 to the Investor Education & Protection Fund.

\*\* Other Credit balance includes :

Particulars	As at 31.03.2014	As at 31.03.2013
Excise Duty Payable on Closing Finished Stock	34.78	50.66
Forward Rupee Payable	-	11.79
Book Overdraft	0.16	-
Loan from AMTEK Delhi	9,500.00	-

**11 Short-Term Provisions**

	As at 31.03.2014	As at 31.03.2013
(a) Provision for employee benefits		
(i) Compensated Absences	1.40	1.23
(b) Provision for Taxes	59.71	143.37
(Net of advance tax Rs 1044.25 Lakhs (As at 31 March 2013 Rs 1073.84 Lakhs)		
(c) Proposed Dividends	-	71.97
(d) Provision for Corporate Tax On Dividend	-	11.67
(e) Provision for mark to market loss on Principal Only Swap	262.75	109.75
<b>Total Provisions</b>	<b>323.87</b>	<b>337.99</b>

**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)



**12A Tangible Assets**

	Gross Block - at Cost			Depreciation / Amortisation					Net Block	
	Gross Block as at April 1, 2013	Additions	Deletions/ Adjustments	Gross Block as at March 31, 2014	Accumulated Depreciation / Amortisation as at April 1, 2013	Depreciation / Amortisation for the period	Deletions/ Adjustments	Accumulated Depreciation / as at March 31, 2014	Net book value as at March 31, 2014	Net book value as at March 31, 2013
<b>Own Assets</b>										
Leasehold Land	170.11	—	—	170.11	18.26	1.72	—	19.98	150.13	151.85
Freehold Land	248.94	—	—	248.94	—	—	—	—	248.94	248.94
Building	5,546.15	31.38	—	5,577.54	1,067.87	183.14	—	1,251.00	4,326.53	4,478.28
Plant and Machinery	29,398.50	1,464.62	14.53	30,848.59	13,248.98	1,573.97	—	14,822.95	16,025.65	16,149.52
Furniture and Fittings	210.16	22.30	—	232.45	106.78	9.50	—	116.28	116.18	103.38
Office Equipments	139.58	31.24	—	170.81	83.04	19.97	—	103.01	67.80	56.54
Computers	201.25	10.26	—	211.51	167.98	8.31	—	176.29	35.23	33.27
Vehicles	93.77	42.83	13.95	122.65	50.82	9.36	12.05	48.14	74.51	42.94
<b>Total</b>	<b>36,008.46</b>	<b>1,602.63</b>	<b>28.48</b>	<b>37,582.60</b>	<b>14,743.73</b>	<b>1,805.96</b>	<b>12.05</b>	<b>16,537.64</b>	<b>21,044.96</b>	<b>21,264.73</b>
Previous Year	33,527.40	2,487.78	6.70	36,008.48	12,601.99	2,144.44	2.70	14,743.73	21,264.75	

**12B Intangible Assets**

Computer Software - Acquired	112.09	7.85	—	119.94	59.92	23.12	—	83.04	36.90	52.18
<b>Total</b>	<b>112.09</b>	<b>7.85</b>	<b>—</b>	<b>119.94</b>	<b>59.92</b>	<b>23.12</b>	<b>—</b>	<b>83.04</b>	<b>36.90</b>	<b>52.18</b>
Previous Year	65.20	46.89	—	112.09	41.69	18.23	—	59.92	52.17	

**12C Depreciation and amortisation expense**

	As at 31.03.2014	As at 31.03.2013
Depreciation on Tangible assets	1,805.96	2,144.44
Amortisation on Intangible assets	23.12	18.23
<b>Total</b>	<b>1,829.08</b>	<b>2,162.67</b>

**Note:**

- Freehold land includes Land amounting to Rs 12.65 Lakhs held in the name of individual directors (Upto 19th August 2013) in view of the constraints of local legislation.
- Legal formalities relating to conveyance of building and Freehold Land having book value (Gross) of Rs 46.98 Lakhs and 14.12 Lakhs respectively (March 31, 2013 : Rs 46.98 Lakhs and 14.12 Lakhs) are pending completion.
- Rupee liability has increased by Rs. 160 Lakhs (net) (2012-13: Nil) arising out of realignment of the value of long-term foreign currency loans for procurement of fixed assets. This increase has been adjusted in the carrying cost of respective fixed assets and has been depreciated over their remaining depreciable life. The depreciation for the current year has increased by Rs. 1.07 Lakhs (2012-13: Nil) arising on account of this adjustment.
- Interest amounting to Rs. 8.00 Lakhs has been capitalized to Plant and Machinery for the year ended 31st March 2014. (Previous year Nil)



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**13 Non-Current Investments**

Trade Unquoted Equity Investments other than Subsidiary	As at 31.03.2014	As at 31.03.2013
<b>Nicco Jubilee Park Limited</b>		
10,000 (As at 31 March, 2012: 10,000) equity shares of Rs 10 each fully paid up	1.00	1.00
Less: Provision for other than temporary diminution	(1.00)	(1.00)
	<u>—</u>	<u>—</u>
<b>Jaimex International Private Limited</b>		
10,000 (As at 31 March, 2012: 10,000) equity shares of Rs 10 each fully paid up	1.00	1.00
Less: Provision for other than temporary diminution	(1.00)	(1.00)
	<u>—</u>	<u>—</u>
<b>Adityapur Auto Cluster</b>		
600 (As at 31 March, 2012: 100) equity shares of Rs 1,000 each fully paid up	6.00	6.00
<b>Other Investments</b>		
<b>Government and Trust Securities</b>		
National Savings Certificate	0.15	0.15
	<u>6.15</u>	<u>6.15</u>
Aggregate amount of unquoted investments (Cost)	8.15	8.15
Aggregate provision for diminution in value of investments	2.00	2.00

**14 Long-Term Loans and Advances**

	As at 31.03.2014	As at 31.03.2013
<b>Loans and advances</b>		
<b>(Unsecured, considered good)</b>		
(a) Capital advances	81.80	318.77
(b) Security deposits	436.45	537.02
(c) Other loans and advances		
(i) MAT Credit Entitlement	428.80	306.15
(ii) Advance Tax net of provision Rs 4.00 Lakhs (As at 31 March, 2013 Rs Nil)	(49.38)	7.37
(d) Others	9,500.00	—
<b>Total Long Term Loans and advances</b>	<u>10,397.66</u>	<u>1,169.31</u>

**15 Other Non-Current Assets**

	As at 31.03.2014	As at 31.03.2013
(a) Unamortised long-term loan issue expenses	—	90.52
(b) Interest accrued on deposits	4.97	5.33
<b>Total Non-Current Assets</b>	<u>4.97</u>	<u>95.85</u>



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**16 Inventories**

	As at 31.03.2014	As at 31.03.2013
(a) Raw materials (At or under cost) (Includes in transit: Rs. 37.95 Lakhs, March 31, 2013: Rs. 32.02 Lakhs)	1,739.76	1,164.60
(b) Work - in - Progress (At lower of cost or net realisable value)	7,264.29	6,907.05
(c) Finished goods (At lower of cost or net realisable value)	318.58	577.53
(d) Stores and spares (At or under cost)	953.09	920.98
<b>Total Inventories</b>	<b>10,275.72</b>	<b>9,570.16</b>

Note: Details of inventory of work-in-progress

Particulars	As at 31.03.2014	As at 31.03.2013
Assembly Components	3,161.56	3,524.32
Gears	1,911.48	1,597.80
Excavator Components	1,119.78	941.33
Shaft Components	932.85	677.29
Engine Components	48.76	102.99
Axle Components	89.86	63.32
	<b>7,264.29</b>	<b>6,907.05</b>

**17 Trade Receivables**

	As at 31.03.2014	As at 31.03.2013
<b>(Unsecured , considered good)</b>		
(1) Outstanding for a period exceeding six months from the date they are due for payment	173.32	268.66
	<b>173.32</b>	<b>268.66</b>
(2) Other Debts	6,691.57	3,429.99
	<b>6,691.57</b>	<b>3,429.99</b>
<b>Total Trade Receivables</b>	<b>6,864.89</b>	<b>3,698.65</b>

**18 Cash and Bank Balances**

	As at 31.03.2014	As at 31.03.2013
<b>Cash and Cash equivalents</b>		
(a) Balances with banks		
(i) In Current Account	1,906.55	37.65
(ii) EEFC Account	8.66	2.14
(b) Cash on hand	2.09	21.42
<b>Total cash and cash equivalents</b>	<b>1,917.30</b>	<b>61.21</b>
(c) Earmarked statutory balances with bank (Unpaid dividend account)	16.60	18.14
(d) Balances held as security against borrowings, guarantees and other commitments	79.43	72.91
<b>Total cash and bank balances</b>	<b>2,013.33</b>	<b>152.26</b>

**Notes forming part of the Condensed financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**19 Short Term Loans and Advances**

	As at 31.03.2014	As at 31.03.2013
<b>(Unsecured, considered good)</b>		
(i) Security Deposit	22.93	12.31
(ii) Other Advances		
(a) Loans and advances to employees	20.50	13.54
(b) Balances with government authorities		
– Balance with Central Excise	980.64	504.25
– Balance with Sales Tax / VAT	75.15	103.15
(c) Others*	1,124.28	235.72
<b>Total Short Term Loans and advances</b>	<b>2,223.50</b>	<b>868.97</b>

\* Other Advances includes :

Particulars	As at 31.03.2014	As at 31.03.2013
Advances paid to Creditors	573.91	227.84
Receivable from Government - Subsidy Income	541.00	–
Prepayments	9.37	7.88

**20 Other Current Assets**

	As at 31.03.2014	As at 31.03.2013
Interest accrued on deposits*	12.72	12.50
Unamortized Loan issue expenses	29.31	27.71
Export Incentive	–	16.69
Forward Rupee Receivable	27.19	–
Deferred Premium on forward contracts	0.72	0.57
<b>Total Other current assets</b>	<b>69.94</b>	<b>57.47</b>

\*Interest accrued on deposits includes interest income accrued on account of Derivative contract in the nature of Principal Only Swap(POS) amounting to Rs. 12.72 lakhs (31 March 2013: Rs. 12.80)

**21 Contingent Liabilities**

	As at 31.03.2014	As at 31.03.2013
Contingent Liabilities not provided for		
– Claims made against the Company but not acknowledged as debts		
1) Jharkhand State Electricity Board towards fuel surcharge and delayed payment surcharge	16.85	16.85
2) In respect of bills discounted with Bank	100.00	97.18

**Notes forming part of the Condensed financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**22 Capital and other commitments**

	As at 31.03.2014	As at 31.03.2013
a) <b>Capital Commitments</b>		
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances):	1,713.34	2,695.74
b) <b>Other Commitments</b>		
Export obligation against import of capital goods under EPCG Scheme	849.53	737.84

**23 Revenue from operations**

	Year ended 31.03.2014	Year ended 31.03.2013
(a) <b>Revenue from Operations</b>		
(i) Sale of products		
– Domestic Sales	22,362.58	25,459.17
– Direct Export Sales	6,173.58	5,248.32
– Third Party Sales	1,002.10	842.53
(ii) Sale of Services (Job Work Income)	1,494.63	1,843.35
(b) <b>Other operating income</b>		
(i) Export Incentive	87.02	108.96
<b>Total Revenue from Operations (gross)</b>	<b>31,119.91</b>	<b>33,502.34</b>

**23.1**

	Year ended 31.03.2014	Year ended 31.03.2013
A) Sale of products comprises:		
Gears	7,129.67	12,685.34
Assembly Components	11,910.19	8,155.01
Shaft Components	4,193.56	3,800.81
Excavator Components	1,456.31	3,291.69
Engine Components	639.17	926.19
Axle Components	140.54	400.72
Others	4,068.83	2,290.26
<b>Total - Sale of Product</b>	<b>29,538.26</b>	<b>31,550.02</b>
B) Sale of services comprises :		
Job Work on Auto Components	1,494.63	1,843.35
<b>Total - Sale of services</b>	<b>1,494.63</b>	<b>1,843.35</b>

**23.2 Note**

i) Amount of Value Added Tax (VAT) excluded from the sales amount	1,113.09	1,490.14
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**Notes forming part of the Condensed financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**24 Other Income**

	Year ended 31.03.2014	Year ended 31.03.2013
(a) Interest Income		
(i) On Fixed Deposits	6.80	9.28
(ii) Others (Security Deposit)	28.69	17.60
(b) Discount Received	42.27	11.16
(c) Insurance Claim	7.03	9.81
(d) Liabilities no longer required written back	(0.16)	6.45
(e) Profit on sale of Assets (net)	-	-
(f) Rent Received	-	1.52
(g) Subsidy Income	541.00	1,131.21
(h) Gain on one time settlement of loan	-	-
(i) Net Exchange Fluctuation (other than considered as finance cost)	69.33	141.19
(j) Miscellaneous Income	3.09	40.74
<b>Total Other Income</b>	<b>698.05</b>	<b>1,368.96</b>

**25 Cost of Materials Consumed**

	Year ended 31.03.2014	Year ended 31.03.2013
<b>Raw Material</b>		
Inventory at the beginning of the period	1,164.60	1,735.27
Add: Purchases during the period	13,261.81	12,040.51
	<u>14,426.41</u>	<u>13,775.78</u>
Less: Inventory at the end of the period	1,739.76	1,164.60
<b>Total Cost of Materials Consumed</b>	<b>12,686.65</b>	<b>12,611.18</b>

**25.1 Details of raw material consumed**

	Year ended 31.03.2014	%	Year ended 31.03.2013	%
<b>Details of Raw Materials</b>				
Forging	895.45	7.06%	893.02	7.08%
Bright Bars	11,568.14	91.18%	11,505.38	91.23%
MS Pipe	223.07	1.76%	212.78	1.69%
	<u>12,686.66</u>		<u>12,611.18</u>	

**Notes forming part of the Condensed financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**25.2 Consumption of Imported and Indigenous Raw -Material**

	Year ended 31.03.2014		Year ended 31.03.2013	
Details of Raw Materials		%		%
<b>Raw Materials and Components</b>				
Imported	510.47	4.02%	197.99	1.57%
Indigenous	12,176.19	95.98%	12,413.19	98.43%
	<u>12,686.66</u>		<u>12,611.18</u>	

**26 Changes in inventory of Finished Goods and Work in Progress**

	Year ended 31.03.2014	Year ended 31.03.2013
<b>Inventory at the end of the period</b>		
Work in progress	7,264.29	6,907.06
Finished Goods	318.58	577.52
	<u>7,582.87</u>	<u>7,484.58</u>
<b>Inventory at the beginning of the period</b>		
Work in progress	6,907.05	7,484.37
Finished Goods	577.53	442.57
	<u>7,484.58</u>	<u>7,926.94</u>
	<u>(98.29)</u>	<u>442.36</u>

**26.1** Interest on Term Loan is net of interest income received/accrued on account of derivative contract in the nature of Principal Only Swap(POS) quarter and year ended 31st March, 2014 amounting to Rs 12.46 and Rs 62.29 lakhs respectively (quarter and year ended 31st March, 2013: Rs. 12.80 lakhs and Rs 59.28 lakhs ).

**26.2** Interest on Term Loan is net of interest capitalized to fixed assets during the year ended 31st March, 2014 amounting to Rs 8.00 Lakhs (31st March, 2013 : Nil)

**Notes forming part of the Condensed financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**27 Employee Benefits Expense**

	Year ended 31.03.2014	Year ended 31.03.2013
(a) Salaries and wages, including bonus	1,301.68	1,300.42
(b) Contribution to provident and other funds	95.92	59.22
(c) Expenses on Employee Stock Options	10.66	9.06
(d) Staff welfare expenses	53.27	61.41
<b>Total Employee Benefit Expenses</b>	<b>1,461.53</b>	<b>1,430.11</b>

**27.1 Employee Benefits**
**(a) Post Employment Defined Contribution Plans**

During the year an amount of **Rs. 95.92 lakhs** (Previous Year Rs. 59.22 Lakhs) has been recognized as expenditure towards Defined Contribution Plans of the Company.

**(b) Post Employment Defined Benefit Plans**

Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Fund, managed by the Life Insurance Corporation of India (LIC) makes payment to vested employees at retirement, death, incapacitation or termination of employment of an amount equivalent to the respective employee's eligible salary for fifteen days for each year of completed service subject to a maximum limit as laid down in the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note A(ix) of Schedule U, based on upon which, the Company makes contributions to the Gratuity Fund.

The following Table sets forth the particulars in respect of the aforesaid Gratuity Fund of the Company for the year ended 31st March 2014:

Particulars	Gratuity	
	Current Year	Previous Year
<b>A Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligations (DBO)</b>		
1 Present Value of DBO at beginning of year	125.18	72.27
2 Current Service cost	18.31	10.84
3 Interest cost	10.02	6.14
4 Plan amendments	-	-
5 Actuarial (gains)/losses	(11.08)	39.29
6 Benefits paid	(6.02)	(3.36)
7 Present Value of DBO at the end of year	136.41	125.18
<b>B. Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets</b>		
1 Fair Value of Plan assets at beginning of year	91.01	50.33
2 Actual return on plan assets	9.07	5.41
3 Actual Company contributions	50.28	38.06
4 Actuarial gains/ (loss)	(2.27)	0.57
5 Benefits paid	(5.48)	(3.36)
6 Fair Value of Plan assets at the end of year	142.61	91.01



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

<b>C. Reconciliation of the Present Value of the DBO and the Fair Value of the Plan Assets</b>			
1	Present value of DBO at the end of the year	136.41	125.18
2	Fair value of plan assets	142.61	91.01
3	Funded status [Surplus/ (Deficit)]	6.20	(34.17)
	Net asset/(liability) recognized in balance sheet as at the Balance Sheet date	<b>(34.17)</b>	<b>(21.94)</b>
1	Net asset/(liability) recognized in balance sheet at beginning of period	(34.17)	(21.94)
2	Employer (Expense)/credit	(10.45)	(50.29)
3	Employer contributions	50.82	38.06
4	Net asset/(liability) recognized in balance sheet at end of the period	6.20	(34.17)
<b>D. Expense recognized in the Statement of Profit and Loss (Refer Note 27)</b>			
1	Current Service cost	18.31	10.84
2	Interest cost	10.02	6.14
3	Expected return on plan assets	9.07	5.41
4	Past Service Cost	—	—
5	Actuarial Losses / (Gains)	(11.08)	39.29
	<b>Total expense recognized</b>	<b>26.32</b>	<b>61.68</b>
<b>E. Category of Plan Assets:</b>			
	Funds with Life Insurance Corporation of India	<b>142.61</b>	<b>91.01</b>
<b>F. Actual Return on Plan Assets</b>		9.07	5.41
<b>G. Principal Actuarial Assumptions</b>			
1	Discount Rate	9.20%	8.20%
2	Expected return on plan assets	8.00%	8.00%
3	Salary Escalation	7.00%	7.00%
		<b>Indian Assured Lives Mortality (2006-08) (Modified) Ult</b>	<b>Indian Assured Lives Mortality (2006-08) (Modified) Ult</b>
4	Withdrawal Rate	2%	2%
<b>I Experience adjustments**</b>		<b>2014</b>	<b>2013</b>
1	Present Value of DBO at the end of year	(136.41)	(125.18)
2	Fair value of plan assets as at the end of the year	142.61	91.01
3	(Surplus)/Deficit in the plan	6.20	(34.17)
4	Experience adjustments on plan liabilities (loss)/gains	(7.57)	(4.67)
5	Experience adjustments on plan assets (loss)/gain	(2.27)	0.57
6	Actuarial Gain/(Loss) due to change on assumptions	18.65	(34.62)
		<b>2012</b>	
			(72.27)
			50.33
			(21.94)
			10.19
			0.77
			4.16

\*\* Experience adjustments have been given only for three years as the actuarial valuation has been done for the first time in financial year 2010.

**Notes:**

- (i) The estimate of future salary increases taken in to account, inflation, seniority, promotion and other relevant factors.
- (ii) The expected return of plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for Plan asset management and other relevant factors.



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**28 Finance Costs**

	Year ended 31.03.2014	Year ended 31.03.2013
(a) Interest on		
(i) Term Loan (Refer note 26.1 and 26.2)	784.55	694.91
(ii) Working Capital Facilities	770.02	973.13
(iii) Delayed payment of advance tax	6.93	5.49
(b) Other Borrowing Cost		
(i) Loan processing fees	176.39	74.46
(ii) Amortization of forward premium	235.72	115.13
(iii) Commitment charges	26.59	—
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	148.30	43.38
<b>Total Finance Cost</b>	<b>2,148.50</b>	<b>1,906.50</b>

**29 Other Expenses**

	Year ended 31.03.2014	Year ended 31.03.2013
(i) Consumption of Stores and Spare Parts	2,240.01	2,426.06
(ii) Power and fuel	3,799.82	4,488.73
(iii) Rent	12.96	8.82
(iv) Machine Hire Charges	55.76	58.72
(v) Repairs - Building	23.85	75.00
(vi) Repairs - Machinery	130.45	237.51
(vii) Repairs - Others	55.21	91.89
(viii) Insurance	47.71	59.24
(ix) Rates & Taxes	18.57	30.93
(x) Traveling & Conveyance	155.63	122.79
(xi) Freight Inwards	383.74	302.36
(xii) Freight Outwards	213.12	294.79
(xiii) Job Work Charges	2,885.49	3,116.48
(xiv) Discount Allowed	68.68	61.81
(xv) Auditors' Remuneration	12.23	13.77
(xvi) Bad/Doubtful Debts Written off	0.21	129.93
(xvii) Advances Written off	—	12.80
(xviii) (Gain) / Loss on sale of Assets	0.64	0.37
(xix) Bank Charges	37.16	35.14
(xx) Miscellaneous Expenses	503.93	401.83
<b>Total Other Expenses</b>	<b>10,645.17</b>	<b>11,968.97</b>



**Notes forming part of the Condensed financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**29.1 Paid / Payable to Auditors (net of Service Tax)**

	Year ended 31.03.2014	Year ended 31.03.2013
As Auditors		
a) For Statutory Audit	6.00	6.00
b) For Limited Reviews	4.00	4.00
c) Other Certification Fees	3.00	3.00
d) Reimbursement of expenses	0.65	0.77
<b>Total Other Expenses</b>	<b>13.65</b>	<b>13.77</b>

**29.2 Consumption of Imported and Indigenous Stores and Spare Parts**

Particulars	Year ended 31.03.2014	%	Year ended 31.03.2013	%
<b>Stores and Spares Parts</b>				
Imported	102.36	4.57%	218.04	8.99%
Indigenous	2,137.65	95.43%	2,208.02	91.01%
	<b>2,240.01</b>		<b>2,426.06</b>	

**Notes forming part of the financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**30. Opening, Closing, Turnover and Production of Goods**

Group of Goods	UOM	Opening Stock		Closing Stock		Turnover		Production
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity
i) Gears	Nos	<b>32,643.00</b> (55,377.00)	<b>169.34</b> (217.19)	<b>9,819.00</b> (32,643.00)	<b>76.60</b> (169.34)	<b>1,046,451.00</b> (1,964,300.00)	<b>7,129.67</b> (12,685.34)	<b>1,023,627.00</b> (1,941,566.00)
ii) Shaft Components	Nos	<b>19,763.00</b> (7,411.00)	<b>101.37</b> (37.31)	<b>3,840.00</b> (19,763.00)	<b>52.97</b> (101.37)	<b>672,128.00</b> (609,174.00)	<b>4,193.56</b> (3,800.81)	<b>656,205.00</b> (621,526.00)
iii) Axle Components	Nos	<b>451.00</b> (178.00)	<b>2.04</b> (0.62)	<b>182.00</b> (451.00)	<b>1.68</b> (2.04)	<b>22,891.00</b> (24,691.00)	<b>140.54</b> (400.72)	<b>22,622.00</b> (24,964.00)
iv) Excavator Components	Nos	<b>27,835.00</b> (17,653.00)	<b>87.42</b> (55.31)	<b>7,292.00</b> (27,835.00)	<b>64.27</b> (87.42)	<b>170,058.00</b> (352,216.00)	<b>1,456.31</b> (3,291.69)	<b>149,515.00</b> (362,398.00)
v) Engine Components	Nos	<b>7,535.00</b> (1,333.00)	<b>40.28</b> (2.36)	<b>789.00</b> (7,535.00)	<b>3.56</b> (40.28)	<b>109,047.00</b> (144,212.00)	<b>639.17</b> (926.19)	<b>102,301.00</b> (150,414.00)
vi) Assembly Components	Nos	<b>13,550.00</b> (7,254.00)	<b>67.22</b> (31.33)	<b>23,271.00</b> (13,550.00)	<b>101.97</b> (67.22)	<b>3,200,779.00</b> (2,647,224.00)	<b>11,910.19</b> (8,155.01)	<b>3,210,500.00</b> (2,653,520.00)
vii) Others	Nos	<b>58,894.00</b> (40,134.00)	<b>109.85</b> (98.45)	<b>10,551.00</b> (58,894.00)	<b>17.53</b> (109.85)	<b>10,102,395.00</b> (12,146,059.41)	<b>4,068.83</b> (2,290.26)	<b>10,054,052.00</b> (12,164,819.41)
<b>Total</b>		<b>160,671.00</b> (129,340.00)	<b>577.52</b> (442.57)	<b>55,744.00</b> (160,671.00)	<b>318.58</b> (577.52)	<b>15,323,749.00</b> (17,887,876.41)	<b>29,538.26</b> (31,550.02)	<b>15,218,822.00</b> (17,919,207.41)

**Notes forming part of the financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**31. Details on derivative instruments and unhedged foreign currency exposures:**

The following derivative positions are open as at 31st March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to risks in foreign exchange fluctuation in respect to the Buyers Credit Loan taken by the Company denominated in Foreign Currency and may be designated as hedging instruments.

Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required at the settlement date of certain payables /Loans.

**(i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2014:**

As at	Currency	No of Contracts	Exposure in Foreign Currency (In Lacs)	Amount (Rs. In Lacs)
31st March 2014	USD/INR	1	31.04	1948.2
31st March 2013	JPY/INR	2	550	317.68
31st March 2012	JPY/INR	Nil	Nil	Nil

**31.1 Particulars of unhedged foreign currency exposure as at the reporting date**

Particulars	Amount in Foreign Currency			Amount in INR	
	Currency	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2014	Year Ended 31.03.2013
i) Receivables	USD	35.68	35.04	2,144.27	1,886.98
ii) Creditors	USD	0.05	0.29	3.07	15.72
	CHF		0.03		1.67
	JPY	9.70	181.08	5.71	104.59
	GBP	-	-	-	-
	EUR	0.02	0.48	1.78	33.09
	SGD	0.00	0.01	0.10	0.33
iii) Loans (PCFC)	USD	17.76	29.95	1,067.53	1,628.78
iv) Loans (Buyers Credit)	EUR	5.66	5.66	467.73	393.87
	JPY	796.78	796.78	468.78	460.22
	USD	3.69	9.35	221.69	508.52

**31.2** The Company has entered into derivative contract during the year in the form of INR/USD Principle only Swap (POS). The POS has been entered to convert the INR Loan Liability into USD Liability with the objective of reducing the overall interest cost on the INR Fixed Interest Rate Loan portfolio and hence may not qualify to be designated as hedging instruments.

Details of the aforesaid outstanding derivative contract as at 31st March 14

Currency	No of Contract	Amount Payable in USD (in Lacs)	Amount Recievable in INR (in Lacs)	Maturity Date of Contract
INR/USD	1	27.27	1,400	17-Apr-15

The Mark-to-Market (MTM) losses on such derivative contract as per the valuation report from banker as on 31st March, 2014 stood at **Rs 262.75 lakhs** (Year ended 31st March, 2013 Rs. 109.75 lakhs)

**Notes forming part of the financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**32 C.I.F. Value of Imports**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a) Capital Goods	779.30	347.00
b) Raw material and Components	846.61	237.03
c) Consumable Stores	115.54	266.58
	<u>1,741.46</u>	<u>850.61</u>

**33 Expenditure in foreign currency**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Technical service fee	9.79	10.26
Travelling	0.53	1.18
	<u>10.32</u>	<u>11.44</u>

**34. Earning in foreign currency**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
F.O.B value of exports	6,165.47	5,214.27
	<u>6,165.47</u>	<u>5,214.27</u>

**35 Provision for Taxation**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Income Tax Expense :		
1. Current Tax	122.65	306.15
2. Mat entitlement credit	(122.65)	(306.15)
3. Deferred Tax	(100.65)	329.75
	<u>(100.65)</u>	<u>329.75</u>
Less: Adjustments/(Credits) related to previous years		
1. Deferred Tax	(62.66)	-
<b>Income Tax expense for the current period</b>	<u>(37.99)</u>	<u>329.75</u>



**Notes forming part of the financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**36 Segment Reporting**

A) Segments have been identified in line with the Accounting Standards (AS) 17 on Segment Reporting prescribed under the Companies Act, 1956, taking into account the nature of products and services, the different risks and returns, the organizational structure and the internal financial reporting system. It has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organizational structure and its system of internal financial reporting, geographical segment based in the location of the customers has been identified as the primary segment. The Company has following two geographical segments:

- i) Domestic
- ii) Export

**Information about Geographical Segments**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
1. Sales Revenue by Geographical Segment		
Domestic	21,316.85	25,327.37
Export	7,262.70	5,357.28
<b>Net Sales/Income from Operations</b>	<b>28,579.55</b>	<b>30,684.65</b>
2. Segment Result		
Domestic	1,736.67	2,176.27
Export	1,237.14	1,194.56
<b>Total</b>	<b>2,973.81</b>	<b>3,370.83</b>
Less: (i) Interest	2,137.01	1,906.50
(ii) Other Un-allocable Expenditure net-off	966.55	1,160.26
(iii) Other Un-allocable Income	(734.71)	(1,227.76)
<b>Total Profit Before Tax</b>	<b>604.96</b>	<b>1,531.83</b>
3. Capital Employed		
Domestic	19,111.72	20,330.00
Export	5,047.77	3,505.02

B) The Company is a manufacturer of Automotive Components parts and managed organisationally as a single unit hence there are no reportable business segment

**Notes forming part of the financial statements**  
 (All amounts in Rs. Lakhs, unless stated otherwise)

**37. Related Party Transactions**

Related party disclosures as required under Accounting standard - 18 on "Related Party Disclosure" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006

Name of the related party	Relationship
Precision Automotive Co. (P) Ltd RSD Finance Limited S R P Oils (P) Ltd Prestige Equipment's (P) Ltd Bach Ltd	Associate Companies
Mr. Rajeev Singh Dugal Mr. Jasjit Singh Dugal	Managing Director } Executive Director }
	Investing Parties Key Managerial Personnel

**Related party transaction:**

1) Associate Companies:	Year ended 31.03.2014	Year ended 31.03.2013
a) Purchase of material / finished goods	57.39	96.04
b) Sale of finished goods and Job working	581.37	1.44
c) Services availed including Job charges	51.83	39.88
d) Machine hire charges	-	-
e) Purchase of Fixed Asset	-	52.50
f) Sale of Fixed Asset	1.00	-
g) Total of transactions during the year	691.59	189.86
h) Loans Taken	501.00	-
i) Loans repaid	-	300.00
Interest Expense	-	9.00
<b>Balance at the end of the year</b>		
j) Other payables	-	-
k) Receivables	-	3.41
l) Loans Outstanding (Including interest accrued)	501.00	-
<b>2) Key Managerial Personnel</b>	<b>Year ended 31.03.2014</b>	<b>Year ended 31.03.2013</b>
a) Managerial Remuneration	23.69	77.01



**Notes forming part of the financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

**38. Earnings per share**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit for the Year (Rupees)	<b>705.61</b>	1,202.08
Average number of equity shares (Face value Rs. 10/- each) for Basic EPS	<b>143.95</b>	143.95
Add: Effect of dilutive issue of employees stock options (ESOPs) outstanding as on 31.03.2014	<b>2.10</b>	2.10
Average number of equity shares(Face value Rs. 10/- each) for Diluted EPS	<b>146.05</b>	146.05
Basic earnings per share (Rs.)	<b>4.90</b>	8.35
Diluted earnings per share (Rs.)	<b>4.83</b>	8.23

**39. Employees Stock Option Plans:**

The Company implemented "JMT Auto Limited Employee Stock Option Plan 2012" during the year as approved by the Shareholders of the Company and the Remuneration /Compensation Committee of the Board of Directors.Details of the options granted during the year under the plans are as under:

Grant Date	No. of Options	Exercise Price (Rs)	Vesting Period
1.08.2012	210,000	40	1.08.2013 to 31.07.2015

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of Rs 10 each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans with an exercise period of two years from the respective grant dates.

**The particulars of the options granted and lapsed under the Schemes are as below:**

Particulars	Year ended 31.03.2014 Nos	Year ended 31.03.2013 Nos
Options outstanding as at the beginning of the year	<b>210,000.00</b>	–
Add: Options granted during the year	–	<b>210,000.00</b>
Less: Options lapsed during the year	–	–
Less: Options exercised during the year	–	–
Options outstanding as at the year end	<b>210,000.00</b>	<b>210,000.00</b>

The Company has followed the intrinsic value based method of accounting for stock options granted after April 1, 2005 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, the Company's net income would be lower by Rs 49.92 Lakhs (previous year Rs 49.92 lakhs) and earnings per share as reported would be lower as indicated below:



**Notes forming part of the financial statements**  
(All amounts in Rs. Lakhs, unless stated otherwise)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net profit as reported	705.61	1,202.08
Less : Total stock-based employee compensation expense determined under fair value based method	(25.34)	(25.34)
Add : Total stock-based employee compensation expense determined under intrinsic value based method	10.66	9.06
<b>Adjusted net profit</b>	<b>690.93</b>	<b>1,185.81</b>
Basic earnings per share		
– As reported (in Rs.)	4.90	8.35
– Adjusted (in Rs.)	4.80	8.24
Diluted earnings per share		
– As reported (in Rs.)	4.83	8.23
– Adjusted (in Rs.)	4.73	8.12

The fair value of each option granted during the year is estimated on the date of grant based on the following assumptions:

**JMT Auto Limited Employee Stock  
Option Plan 2012**

Grant Date Particulars	August 1, 2012
Dividend yield (%)	1.76%
Expected life (years)	3
Risk free interest rate (%)	8%
Volatility (%)	1.03%

40. Previous year's / period figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

**For and on behalf of the Board of Directors**

**For A.C. Gupta & Associates**

Chartered Accountants  
Partner

New Delhi, May 8, 2014

Sd/-  
**Sandeep Singh Surya**  
CFO

Sd/-  
**Mona K Bahadur**  
Company Secretary

Sd/-  
**Gautam Malhotra**  
Director  
DIN - 00157488

Sd/-  
**Sanjay Tiku**  
Director  
DIN - 00300566

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**JMT AUTO LIMITED**

 Regd Office: 224, A.J.C. Bose Road, Room no.-902, Krishna Building, 9<sup>th</sup> Floor, Kolkata-700017  
 Website: jmtauto.com ,Email:jmt.cs@jmtauto.com, Phone: 0657-6626340, Fax:0657-2200749  
**(CIN L42274WB1997PLC082620)**

Name of the member(s) : Registered address : Email Id : Folio/DP ID- Client ID No.:
--

I/We being the member(s) of .....shares of the above named Company hereby appoint:

- (1) Name : ..... Address: .....  
 E-mail Id: ..... Signature ..... or failing him;
- (2) Name: ..... Address: .....  
 E-mail Id: ..... Signature ..... or failing him;
- (3) Name: ..... Address: .....  
 E-mail Id: ..... Signature .....

 as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on the **27<sup>th</sup> September 2014 at 10:00 a.m.** at Kolkata and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated below:

Item No.	RESOLUTIONS	Optional	
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the financial year ended as on that date and the reports of the Board of Directors and Auditors thereon	<b>For</b>	<b>Against</b>
2.	Appointment of Mr. Sanjay Tiku, as a director, who retires by rotation, and being eligible, offers himself for re-appointment		
3.	Appointment of M/s. A C Gupta & Associates as auditors of the Company		
	<b>SPECIAL BUSINESS</b>		
4.	Appointment of Mr. Anubhav Dham, as a director, whose name has been nominated by a member for appointment as a director liable to retire by rotation		
5.	Appointment of Mr. Gautam Malhotra, as a director, whose name has been nominated by a member for appointment as a director liable to retire by rotation		
6.	Appointment of Mr. John Flintham, as a director, whose name has been nominated by a member for appointment as a director liable to retire by rotation		
7.	Appointment of Mr. Sanjay Chhabra as an Independent Director of the Company		
8.	Appointment of Mr. Ashok Mittal as an Independent Director of the Company		
9.	Ratification of the remuneration of the Cost Auditors		
10.	Approval for Related Party Transaction with Amtek Auto Ltd up to 250 Crores		

Signed this ..... day of ..... 2014

Signature of Shareholder

Signature of Proxy Holder(s)

Revenue Stamp

**Note: 1.** This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting. **2.** For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27<sup>th</sup> Annual General Meeting. **3.** It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. **4.** Please complete all details including details of member(s) in above box before submission.

**ATTENDANCE SLIP**

(to be handed over at the Registration Counter)

Folio No./DP ID- Client ID No.:	
No. of Shares :	

 I/We hereby record my/our presence at the 27<sup>th</sup> Annual General Meeting of the Company being held on **27<sup>th</sup> September, 2014 at 10:00 a.m. at GyanManch, 11 Pretoria Street, Kolkata-700 071.**

 .....  
 Signature of the Proxy

 .....  
 Signature(s) of Member and Joint Holder(s)

**Note: 1.** Please complete the Folio/DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall. **2.** Electronic copy of the Annual Report for the financial period ended on 31.3.2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose e-mail address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip. **3.** Physical copy of Annual Report for the financial period ended on 31.3.2014 and Notice of Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

**BOOK-POST**

*If undelivered please return to :*

**JMT AUTO LIMITED**

**Regd Office:** 224, A.J.C. Bose Road, Room no.-902, Krishna Building, 9<sup>th</sup> Floor, Kolkata-700017