



JMT AUTO LIMITED



"Quality is the subtle differentiator that separates the mediocre from the excellent."

**ANNUAL
REPORT
2007-2008**





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Forward -looking Statement

In this Annual report we have disclosed forward-looking statement to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral – that we periodically make and contain forward looking statements that set out anticipated results based on the management's plans and assumptions.

21st Annual General Meeting will be held on 12th day of September, 2008 at the “Golden Park”, Ho- Chi Minh Sarani, , Kolkata-700071 at 12.30 P.M.

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.

Members are requested to kindly bring their copies of the Annual Report to the meeting.

E-mail : jmtauto@jmtauto.com
Visit us at: www.jmtauto.com



VISION

- ❑ To Emerge as a Leading Auto Component Manufacturer
- ❑ To Continue the Policy of Adoption of Corporate Social Responsibility
- ❑ To Strive for Achieving Operational Excellence
- ❑ To Make Investment in Acquiring Up-dated Technology and Efficient Manpower - The Best Bet for the Future

MISSION

- ❑ To Strive Towards Greater Cost Competitiveness and Continued Financial Strength
- ❑ To Imbibe Best Practices from the Leading Indian and International Organizations Engaged in Manufacturing of Auto Components
- ❑ To Offer Better Avenues of Career Growth and Excellent Working Environment

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. Rajeev Singh Dugal Chairman & Managing Director

Mr. Jasjit Singh Dugal Whole Time Director

Mrs. Kawaljeet Kaur Dugal Whole Time Director

Mr. Brahma Vasudevan Nominee Director

Mr. Bharat Kumar Seta Independent Director

Mr. Sushil Kumar Khowala Independent Director

Mr. Udit Kumar Sarkar Independent Director

Mr. Kanchan Roy Chief Financial Officer

Mr. Ashok Kumar Company Secretary

M/s. Deloitte Haskins & Sells, Auditors
Chartered Accountants

State Bank of India, Lead Banker
Commercial Branch,
Bistupur, Jamshedpur- 831001.

M/s. C B Management Services (P) Ltd. Registrar & Share Transfer Agent
P- 22, Bondel Road,
Kolkata- 700 019

224, A.J.C. Bose Road, Registered Office
Room No.- 902,
Krishna Building, 9th Floor,
Kolkata-700017 .

Works

A-20, Phase - 1 Industrial Area, Adityapur Jamshedpur-832109	C-19 & 20, D-2-3, D-8-12, NS-29-34 7th Phase, Industrial Area, Adityapur Jamshedpur-832109
Plot No. 222, KIADB, Belur, industrial Area Dharwad-580011	Notandih, Kandra Chauka Main Road, Dist : Seraikela, Kharsawan
A-45, A-46, A-47, A-48(P) & M-2 At Large Sector, Gamharia	

**NOTICE**

The Twenty First Annual General Meeting of JMT AUTO LIMITED will be held at the Golden Park, Ho-Chi Minh Sarani, Kolkata on Friday, the 12th day of September, 2008 at 12.30 P.M. to transact the following businesses: -

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2008, the Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares
3. To appoint a Director in place of Mr. Sushil Kumar Khowala & Mr. Udit Sarkar who retires by rotation and being eligible offers themselves for re-appointment.
4. **Appointment of Auditors**

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, to audit the accounts of the Company for the financial year 2008-09 at a remuneration to be decided by the Board of Directors in consultation with the Auditors subject to approval of the Shareholders at the Meeting”

5. **To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:**

Approval for Borrowings in excess of paid-up capital and free reserves under Section 293(1)(d) of the Companies Act, 1956

“RESOLVED THAT in super session of the earlier resolution passed at the 20th Annual General Meeting of the company, held on 25th day of August, 2007 and pursuant to section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as “the Board”) including any Committee of the Board, which is already constituted or to be constituted by the Board, on this behalf, be and are hereby authorised and empowered to borrow from time to time, for the purposes of the business of the Company any amount or amounts, notwithstanding that the moneys so borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves which have not been set apart for any specific purpose but so that the total amount of moneys so borrowed and outstanding at any one time shall not exceed Rs. 300 Crores.”

NOTES: -

- The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
- A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at the Registered Office not less than forty-eight hours before the start of this Annual General Meeting. Proxies shall not have any right to speak at the meeting.
- Members are requested to notify any change in their address /mandate/ bank details immediately to the Company at the Registered Office or to the Registrars M/s. C B Management Services (P) Ltd., P- 22, Bondel Road, Kolkata- 700 019. Members holding shares in demat form are required to intimate details regarding change of address etc., if any, to the depository participants where they have their depository accounts.
- Members may avail of the facility of dematerialization by opening Depository Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get equity share certificates held by them dematerialized.



- Since Company's shares are in compulsory dematerialized trading, to ensure better investor service and elimination of risk of holding shares in physical form, it is requested that the shareholders holding shares in physical form to get their shares dematerialized at the earliest.
- Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 02.09.2008 to 12.09.2008 (both days inclusive)
- Members/ Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting
- The dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General meeting will be paid on or after 17th day of September, 2008.
- Members may please note that the Dividend Warrants are payable at par at the designated Branches of the Bank printed on the reverse of the Dividend warrants for an initial period of 3 months only and thereafter the Dividend Warrant on revalidation is payable only at limited centers/ branches. The members are therefore advised to encash Dividend Warrants within the initial validity period.
- In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company, under the signature of the Sole/First Joint holder, the following information to be incorporated on the Dividend Warrants:
 - (i) Name of the Sole/ First Joint Holder and the Folio Number
 - (ii) Particulars of Bank Account, viz
 - (a) Name of the Bank
 - (b) Name of the Branch
 - (c) Complete address of the Bank with Pin Code Number
 - (d) Account type, whether Savings (SB) or Current Account (CA)
 - (e) Bank Account number allotted by the Bank
- Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by the Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/ change in such bank details.
- Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
- Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- Shareholders are requested to bring their copy of Annual Report to the meeting.
- Member may please note that pursuant to section 205C of the Companies Act, 1956 all unclaimed or unpaid dividends upto the financial year ended 31st March, 1999 have been transferred to Investor education and protection fund as per the said statutory requirements.



As required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed is given below:

APPOINTMENT /REAPPOINTMENT

Name of Director	Sushil Kumar Khowala
Date of Birth	06/07/1964
Date of Appointment	20/01/2003
Qualification	Chartered Accountant
List of Public Companies in which outside directorships held as on 31 st March, 2008	2
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director as on 31 st March, 2008	N.A.

By order of the board of Directors

Place: Kolkata
Date: 28.07.2008

Ashok Kumar
Company Secretary

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

Item No.5

The sanction of the shareholders is sought to permit the Board to borrow moneys in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. With the Company's plans for expansion and diversification, your Board thinks it necessary to acquire this power and commends to pass this resolution.

No Director is interested or concerned in the resolution.

By order of the board of Directors

Place: Kolkata
Date: 28.07.2008

Ashok Kumar
Company Secretary

**CHAIRMAN'S
STATEMENT**

Dear Shareholders,

The Automobile Industries and its suppliers are living in an increasingly tougher competitive environment where there is no room for inefficiency. This sector of industry is very susceptible to regular fluctuation in the world market. The challenges, which the suppliers are facing, is to obtain optimum output at optimum cost. The numerous possibilities to meet these challenges are adoption of new and improved technology, product development, logistics, costs etc.

JMT has constant focus on improvement in quality of products and services and upgrading the technology. The Company is in the process of consolidation by augmenting the customer base and increasing its geographical penetration. However, depressed market and prices have put pressure on the margins.

We are committed to meet and strive to exceed our customers' requirements through timely deliveries with improved quality products. JMT strives to achieve consistent performance, financial discipline and generation of superior returns on investments, which would contribute, to overall satisfaction of all our stakeholders. As investments and expansions going on currently we are targeting an increased turnover of Rs.300 Crore.

The intense competitive pressures in the Automobile Industry especially in the US and Europe have created a set of enabling factors or drivers that are forcing OEMs and ancillaries to explore the outsourcing and off - shoring options. Further, the World class major Tractor, Truck, Utility vehicle-builders and Auto Component manufacturer have set up manufacturing bases in India and are part of their global supply chain. As some of them have plans to make their Indian venture as the world supply base, your Company endeavors to keep supplying to its overseas associates in order to increase export as well as its share in total turnover of the Company.

The Utility Vehicle majors, TELCO, MAHINDRA, TOYOTA, FORD, HYUNDAIGM, DAIMLER AG etc. have planned to introduce new models. As forcasted in the previous year we have started receiving order for gears and Shafts from customers like, Cummins Inc., Caterpillar USA., EATON etc. apart from our existing customer TATA MOTORS.

In its relentless efforts to meet and accede the needs and demands of its customers, JMT has made rapid progress in the international market. Using latest up-dated technology like implementation of SAP and by having ample base of human recourses, our Company has been able to match with the quality and expected standards demanded by its customers in India and abroad. Today JMT Auto Limited is undoubtedly one of the largest Commercial Gears Manufacturing Company which has a full fledged Foundry & Forge and State-of-Art Heat Treatment Plant.

We hope to grow and fulfill our future plan.

Thanking you

Place: Kolkata
Date: 28.07.2008

Rajeev Singh Dugal
Chairman & Managing Director

**HIGHLIGHTS**

(Rs. in Lac)

DESCRIPTION	2007-08	2006-07	2005-06	2004-05
SALES & JOB WORK	20107.61	16251.00	11173.98	9604.04
EMPLOYEE COST	893.14	617.07	459.06	393.76
DEPRECIATION	1421.56	1113.95	711.52	558.51
FINANCE COST	1035.09	542.91	260.74	124.09
EBIDTA	3595.34	2669.16	2048.10	1839.62
PROFIT/LOSS BEFORE TAX	1138.69	1012.30	1075.84	1157.02
PROFIT/LOSS AFTER TAX	887.87	638.88	774.91	724.32
DIVIDEND	10%	10%	10%	10%
EPS	6.17	4.64	6.84	7.36

(Rs. in Lac)

DESCRIPTION	As on 31.03.2008	As on 31.03.2007	As on 31.03.2006	As on 31.03.2005
NET FIXED ASSET	16273.59	13366.05	8440.41	5030.15
SHARE CAPITAL	1439.52	1409.52	1339.52	984.52
SHARE WARRANTS	-	32.45	-	--
RESERVES & SURPLUS	8198.79	7184.87	6097.98	2260.81
NET WORTH	9638.31	8626.84	7437.50	3245.33
BORROWINGS	13839.40	8219.60	3923.24	2384.33
NET WORTH PER SHARE	66.96	60.97	55.52	32.96
DEBT : EQUITY RATIO	1.44	0.95	0.53	0.73



DIRECTOR'S PROFILE

**MR. RAJEEV SINGH DUGAL
CHAIRMAN & MANAGING DIRECTOR**

An MBA from XLRI, Jamshedpur having 22 years of experience in the industry, his vision has brought him to be recognised as one of the upcoming entrepreneurs of Eastern India.

**MR. JASJIT SINGH DUGAL
WHOLE TIME DIRECTOR**

He has 32 years experience in machining segment of engineering industry with vast knowledge in machining.

**MRS. KAWALJEET KAUR DUGAL
WHOLE TIME DIRECTOR**

A Promoter Director of the Company looking after the general administration and purchase.

**MR. BHARAT KUMAR SETA
NON- EXECUTIVE, INDEPENDENT DIRECTOR**

A member of ICAI and ICSI with over 18 years of experience in the industry.

**MR. UDIT KUMAR SARKAR
NON- EXECUTIVE, INDEPENDENT DIRECTOR**

A Lawyer by profession has around 22 years of rich experience. His legal shrewdness provides a valuable resource to the Company.

**MR. SUSHIL KUMAR KHOWALA
NON- EXECUTIVE, INDEPENDENT DIRECTOR**

A member of the ICAI with 17 years of industrial expertise is the Chairman of the Audit Committee and Remuneration Committee.

**MR. BRAHMAL VASUDEVAN
NON- EXECUTIVE, NOMINEE DIRECTOR**

An M.B.A. from Harvard University with 12 years' Post- Qualification Experience in the areas of Banking, Investment and Finance.

**DIRECTORS' REPORT**

Your Directors have immense pleasure in presenting their Twenty First Annual Report along with the Audited Results of the company for the year ended 31st March 2008.

OPERATING AND FINANCIAL REVIEW

(Rs. in Lac)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Gross Turnover	23818.33	19585.49
Earning before Interest, Depreciation & Tax and amortization (EBITDA)	3595.34	2669.16
Interest and financial charges	1035.09	542.91
Depreciation	1421.56	1113.95
Provision for Taxation	250.82	373.42
Net Profit After Tax	887.87	638.88
Profit /(Loss) Brought forward from Previous Year	2154.36	1683.89
Profit available for appropriation as under :	3042.23	2322.77
Dividend on Equity Shares	143.95	143.95
Corporate Tax on Dividend	24.46	24.46
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	2873.82	2154.35

DIVIDEND

The Board for the year ended 31st March 2008 has recommended a dividend @ 10% (Re 1 per share) as that of the previous year subject to the approval of the shareholders at the Annual General Meeting with a view to conserve resources.

STOCK EXCHANGE REQUIREMENTS

The Equity shares of the Company are being traded at BSE, NSE and Calcutta Stock Exchange.

During the year 7,00,000.00 Lacs Equity Shares allotted under the Preferential Issue are listed as well as traded on all the Stock Exchanges. However, the Equity Shares on conversion of Shares Warrants are yet to be listed in the Stock Exchanges.

The delisting approval is pending with the Calcutta Stock Exchange.

FIXED DEPOSITS

The Company has not received any Fixed Deposits from the Shareholders / Public during the year under review.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

As required by Pollution control laws, the Company has already submitted Environmental Statement for the Year 2007-08 to the State Pollution Control Board.

The Company continues to accord priority to Environment, Occupational Health and Safety with a commitment to achieve and sustain the highest international standards by keeping emission level as low as possible.

Waste Water Management

The Company has taken all possible steps towards implementation of Rain Water Harvesting System Implementation and Waste Management Services working in tandem with Aquakraft Water Solutions.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanations relating to material departures.

We wish to clarify and state that Board of Directors do not subscribe and accept the qualification made by the Statutory Auditor in its Audited Annual Report under point (4) & (6) of the Companies (Auditor's Report) Order, 2003 to the Members in respect of drawing up of Profit and Loss Account and Cash Flow Statement not in accordance with AS- 15 and non-provision of the Employee Benefit in the nature of Defined Benefit Plan in accordance with AS-15. The Company has an arrangement with LIC to cover for Gratuity liability of the employees and the said agency fixes the premium every year after doing Annual Actuarial Valuation. The certificate issued by the said agency in this regard provides the required information as prescribed in AS-15. The same was presented to the Statutory Auditor with all details in the required format as mandated under AS-15 but for reason unknown to us decided to ignore the same and qualified the same in continuation from the previous year.

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period.
3. The Directors had taken proper and sufficient care 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, to the best of the knowledge and ability of the Directors.
4. The Directors had prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s. Deloitte Haskins & Sells, 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.

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.

EMPLOYEES

None of the employees fall within the category mentioned in section 217(1A) of the Companies Act, 1956.

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.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 28.07.2008

Rajeev Singh Dugal
Chairman & Managing Director

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE -1**

INFORMATION UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS' RULES), 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

CONSERVATION OF ENERGY

The Company's commitment to energy conservation continues. Energy conservation measures include optimum utilization of energy intensive machines, introduction of energy efficient technologies etc. All measures have resulted in cost savings for the Company. In order to conserve energy and natural resources the Company has taken constant efforts to conserve energy and natural resources and reduced consumption of Power, Fuel, Oil, Water and other energy sources by way of the following: -

1. Optimization of lightening fixtures in administrative areas.
2. Installation of Auto Power Cut-Off for electrical energy consumption.
3. Energy saving in utility by proper machine planning.
4. Close monitoring of fuel consumption.
5. Emphasis on non-conventional energy sources.
6. Creating overall awareness to avoid wastage of water and turning power-off when not in use.

FORM A**(A) Power and Fuel Consumption**

1. Electricity		Current Year	Previous Year
Purchase units (KHW)		229.49	179.80
Total Amount (Rs.)		991.00	765.82
Rate per Unit (Rs.)		4.32	4.26
2. (a) Furnance Oil		Current Year	Previous Year
Quantity (Ltr)		6.13	8.06
Total Cost (Rs.)		139.33	160.39
Average Cost (Rs./Ltr.)		22.73	19.90
(b) LDO/HSD/SKO		Current Year	Previous Year
Quantity (Kilo Ltrs)		22.63	23.99
Total Cost (Rs.)		657.00	694.43
Average Cost (Rs./Ltr.)		29.02	28.94
(c) Others/Internal Generation		Current Year	Previous Year
Units (KWH) in Lacs		66.44	45.33
Units/Litre of Diesel Oil (KWH)		2.93	2.70
Average Cost/Unit (Rs./KWH)		9.89	10.62

**(B) Consumption per unit of production**

Product	Current Year	Previous Year
Electricity	2.06	1.91
Furnace Oil	0.06	0.09
L.D.O.	0.20	0.25

FORM B**I. Research and Development**

- Better fixturing & stacking of case carburising of rings.
- Safe implementation on certain gear parameters.
- Development of Critical Part drawings and programming through AUTOCAD/CAM facilities.

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

- Percentage of defects brought down drastically.
- Rejection brought to zero level.
- Development of critical parts with higher precision.

III. Future plan for action:

- Improvement of machine utilization.
- Continuous up gradation of technology.
- Enter into export market of similar kind of products.

IV. Expenditure on R & D :

a. Capital	} The development work is carried on by the concerned departments continuously. No separate record of the expenditure incurred on R & D.
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**

Constructive measures have been taken to improve productivity through better utilization of the measures, efficient plant layout, highly skilled work force, improving cutting tools relevant to the latest international standards.

Considering higher batch sizes for product manufacturing with uninterrupted power to eliminate wastage. Different statistical tools are being used for continuous process improvement for achieving 100 % waste elimination

Continuous efforts are made to develop precision forgings gear blanks to reduce raw material cost as well as total manufacturing cost as a part of continuous improvement strategy.

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

- Overall raw material and energy consumption per ton of the product has been further reduced.
- Overall cutting tool cost has been reduced to a considerable extent by achieving better tool life.
- Combination of few operations has helped to achieve the target cost of the product.

**3. Imported Technology:**

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- 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.

- Total Foreign Exchange used and earned:

(Rupees in Lacs)

Particulars	Current Year	Previous Year
a. Earning (FOB Value of Export) :	952.02	529.72
b. Expenditure :	2.51	18.91

For and on behalf of the Board of Directors

Place: Kolkata
Date: 28.07.2008

Rajeev Singh Dugal
Chairman & Managing Director

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the JMT's Code of Conduct for its employees including the Managing Director and Whole-time Directors as well as the Non-Executive Directors.

I confirm that the company has in respect of the financial year ended March 31, 2008 received from the Senior Management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Kolkata
Date: 28.07.2008

Rajeev Singh Dugal
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

On the canvas of the Indian Economy, Auto industry occupies prominent place. Due its deep forward and backward linkages, the several key segments of the economy automotive industry have a strong multiplier effect and are capable of being the driver of economic growth. Continuous Economic liberalization over the years by the Government of India has resulted in making India one of the prime business destinations for many global automotive players. The Automotive sector in India is growing at 18% per annum.

With around US\$15 bn to be invested in the sector over the next ten years, the Indian auto ancillary industry seems will on its way to take advantage of both the internal as well as external growth opportunities.

Not to forget the growing opportunity of the Indian component suppliers, whether be in design and development or with respect to cost effective and flexible production.

What more, the companies are also becoming increasingly global in their outlook as evident from the growing overseas acquisition and manufacturing foot prints. However, rising input cost, infrastructural bottlenecks and talent transformation issues are likely to remain as some of the key challenges.

Hence, it will only be players with enough economy of scale and strong technical capabilities that will be able to translate expected buoyant top line growth into equally impressive bottom line growth.

BUSINESS OPPORTUNITIES AND THREATS

The Indian economy is set to grow at the rate of 9% for the next year and with normal monsoon predicted the demand for heavy vehicles as well as passenger car shall continue to show upward trend.

However, as the competition among the OEM;s intensifies, the prices of the products of the company shall be under pressure.

In order to set off this, the company is pursuing aggressive cost control activities and the company expects to be successful in its endeavors by adding to the existing product range, the company expects to bolster its competitive edge in the coming years.

Despite competition and inflationary pressures on the pricing front, the company expects to maintain its competitive edge in the coming years.

EXPORTS

With financial & intellectual reservoirs of great depth & breadth to draw from, JMT combines insight, knowledge and original thinking to create new opportunities. Evolving in sync with the growing demands of Indian components globally, JMT has taken significant steps towards exporting its products to the international markets. The company has received export orders form leading multinational companies for supply of gear components, The company has achieved tremendous success in executing agreements for supply of components to international OEMs, Tier 1 manufacturer and the market around the world. The company has joined with world leaders like Cummins Inc, U.S.A, Halliburton, Volvo, Caterpillar, Eaton, C&H, Daimler Chrysler, S & V Technology, USA and TAFE.

RISKS AND CONCERNS

The industry is typically cyclical and primarily faces the following risks:

- **RAW MATERIAL RISKS**
- **PRICE RISK**

The market price for our products may fluctuate for various reasons such as :-

1. Changes in the availability and price of our primary raw material
2. Variances in the production capacities of our competitors

**REGULATORY RISK****Environmental risks**

We are subject to environmental regulations and may be exposed to liability as a result of our handling of hazardous materials and potential costs for environmental compliance.

Government policies related risks

We operate in a regulated environment and Central and State Government policies and regulations affecting the automobile sector and related industries could adversely affect our operations and our profitability.

RISKS SPECIFIC TO JMT AUTO LIMITED

As part of our business strategy, we are rapidly expanding our operations, setting up of new units at Chennai and Lucknow. Our expansion strategy exposes us to a number of risks. Cost and time over-run, delay in commencement of operations may adversely affect our financial condition and results of operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, management maintains a system of accounting and controls, including an internal audit process. Internal Audit and Management reviews support internal controls.

The Board of Directors has an Audit Committee whose Chairman is an independent Director. The Committee meets periodically with management, internal auditors and representatives of the Company's Statutory Auditors to review the Company's programme of internal controls, audit plans and results and recommendations of the auditors and management's responses to those recommendations.

ENVIRONMENT MANAGEMENT

The Company commits to protect the environment by conducting our operations in an environmentally safe manner. In our endeavor to protect the environment, we emphasize the following objectives:

- Complying with all applicable legal requirements to which the Company subscribes which relates to its environment aspect
- Preventing pollution at its source by minimizing emission effluents and waste in the designees operations and maintenance of the company .
- Reviewing the environment objectives and targets as decided by the company .

QUALITY POLICY

The Company is committed to manufacture product of pre-eminent quality that satisfy customers' needs consistently by way of strict conformance to specification, up gradation of technology, on-time delivery and reviewing of the existing system to achieve continual improvement of the Quality management system

T.P.M. POLICY

The Company is committed to create an environment that can assure zero defect, zero breakdown, zero accidents, zero losses and total customer satisfaction by supplying products of high quality consistently and total employee participation through total employee ownership concept.

FINANCIAL PERFORMANCE:**Reserves and Surplus**

The Reserve and Surplus of the Company increased From Rs. 7184.87 lacs in 2006-07 to Rs. 8198.79 Lacs in 2007-08 .During the year under review Share Premium reserves increased from Rs.3903.75 lacs to Rs. 4198.21 lacs following the preferential allotment of shares. As a result of growth of healthy reserves, the company has a book value of Rs.66.96 per share and a net worth of Rs.9638.31 lacs as on 31.03.2008.

**Capital Employed**

The Return (EBIT) on the Average Capital Employed by the Company during the year under review is 15% as against 10% in the earlier year.

Sundry Debtors

Average debtors collection period increased to 29 days during the period under review as compared to 25 days in the previous year.

Operating Profit

Earnings before Interest, Depreciation and Tax increased by 34.69 % to Rs. 3595.34 lacs during the year, up from Rs. 2669.16 lacs. Other income for the year stood at Rs. 199.11 lacs, mainly representing discounts received from suppliers.

During the year under review, net sales grew from Rs. 16251.55 lacs to Rs. 20107.61 lacs mainly because increased volume of sales to existing customers. The volumes of exports have also significantly increased by about 79.72 % to Rs.952.02 lacs during the said period as compared to last year. Such volume gains coupled with improved utilization of existing capacity and reduction in operating cost have resulted in improvements in the profits of the company reflected in the accompanying accounts.

Finance cost increased by 90.65% to Rs 1035.09 Lacs up from Rs. 542.91 Lacs owing to increase term loan and working capital requirements.

Depreciation for the year stood at Rs. 1421.56 Lacs as compared to Rs. 1113.95 Lacs in the previous year. The higher charge was on account of assets acquired during the year.

JMT's Corporate tax liability for the year was Rs. 250.82 Lacs as compared to Rs. 373.42 lacs in the previous year. The company's profit before tax (PBT) was Rs. 1138.69 lacs as against Rs. 1012.30 lacs in the previous year.

Earning per share (EPS) was Rs. 6.17 as against Rs.4.64 in the previous year. The Net worth stood at Rs. 9638.31 lacs as against Rs. 8626.84 lacs in the previous year showing a significant increase of 11.72%.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The company continues its focus on attracting and retaining the best talent in the industry. It has taken necessary steps to upgrade the standard of present employees by conducting various in house training program and courses.

Performance Management and recognition:

Greater emphasis was placed on strengthening the performance Management System through the involvement of managers at all levels.

Market led compensation Policy

To ensure that Company retains and attracts the best talent, we benchmarked our compensation with similar Companies in the automobile sector. This has enabled us to have a more market-based revision of compensation for our managers. We continue to focus on differentiating levels of compensation for our highest performers. Through this approach we have ensured that our talents within the organization are paid closer to the market to prevent job hopping.

Technical resources

New innovations and modern product platforms have given rise to the need of inducting modern and qualified technical expertise. During the year we have been able to attract high quality skills.

**Industrial Relations**

Industrial Relations continued to be harmonious. The resultant productivity improvements are visible on the shop floor operations.

A congenial work environment with proper infrastructure, continuous training opportunities for its employees, future growth and development opportunities and various welfare measures keep our employees continuously motivated.

OUTLOOK AND INITIATIVES FOR THE CURRENT YEAR AND THEREAFTER

Your directors feel that the company needs to consolidate, bring down cost and improve efficiency and productivity with the present expansion already undertaken, the company should see a gross turnover of at least Rs. 330 crores. Future expansion plans are in sectors which are not cyclical, non automotive like hydraulic industry, oil and explorations and other off the road niche market. The company is expected to continue to benefit from growth in the domestic market, but more importantly strong growth is expected in exports.

FUNDING STRATEGY

The key objectives of the financing strategy of the Company are as follows:

- i. Raising cost efficient funds for the growth plans of the company
- ii. To maintain the credit rating of the Company
- iii. To comply with the expectations of various lenders in terms of financial covenants
- iv. To provide financial flexibility in the Balance Sheet for contingencies
- v. To manage the foreign exchange exposure effectively

The Company has funded its modernization and expansion programme through internal arrangement, debt etc.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the company in future. Therefore it is cautioned that actual results may materially differ from those expressed or implied in the report.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 28.07.2008

Rajeev Singh Dugal
Chairman & Managing Director



CORPORATE GOVERNANCE

Corporate Governance is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others ensuring greater transparency and better and timely financial reporting. The Board of Directors are responsible for governance of their companies.

Fundamental principles of corporate governance:

A strong system of corporate governance is usually marked by the following fundamental principles:

- Ethical and disciplined corporate behavior
- Independent and considered judgment
- Parity between accountability and responsibility
- Transparency, effective and adequate disclosures

Framework of Corporate governance:

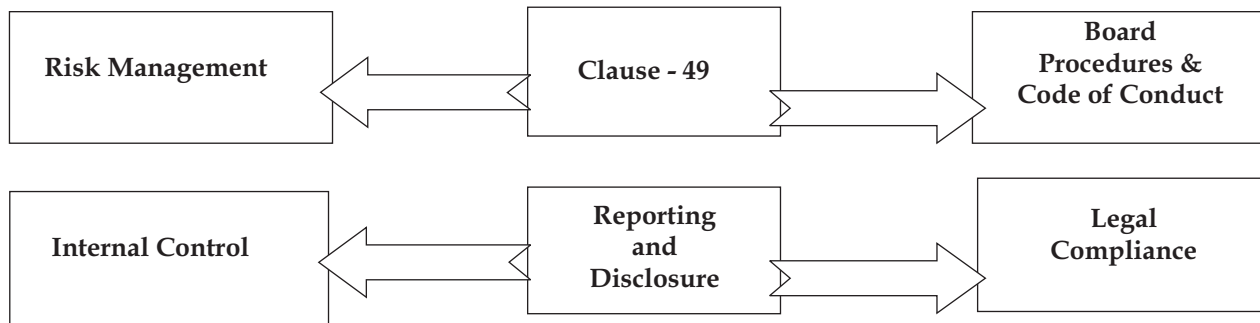
There are seven important planks of the framework of a sound corporate governance system. These are:

- Board of Directors;
- Non-executive and independent directors;
- Committees of the Board;
- Internal control and risk management system;
- Internal & External audit;
- Disclosures in respect of corporate governance and Compliance
- CEO/CFO Certification

Success of a good governance culture depends upon the perpetual existence and effective and, most important, ethical interplay of these planks not only by themselves, but also with other variables in the social and economic environment (i.e., the stakeholders) of the company.

The Corporate Governance in JMT lead to a series of exercises in the following areas:

1. Code of conduct and Ethics for Directors and Senior Management
2. Improving Quality and frequency of Information Flow to the Board and to the 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. JMT's policy on prevention of Insider Trading.
7. Develop processes for various disclosure and reporting requirements.



**BOARD OF DIRECTORS**

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

The composition of the Board, attendance at Board Meetings held 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:

Name of the Director	Designation	Status & Category	Attendance at Board Meetings	Attendance at last AGM	No. of outside Directorships	Committee position - Member	Committee Position - Chairman
Mr. Rajeev Singh Dugal	Chairman-cum-Managing Director	Executive Non-Independent	6	Yes	1	Nil	Nil
Mrs. Kawaljeet Kaur Dugal	Whole-Time Director	Executive Non-Independent	5	No	1	Nil	Nil
Mr. Jasjit Singh Dugal	Whole-Time Director	Executive Non-Independent	5	Yes	-	Nil	Nil
Mr. Brahma Vasudevan	Nominee Director	Non-Executive	1	Yes	1	Nil	Nil
Mr. Bharat Kumar Seta	Independent Director	Independent -Non-Executive	4	Yes	-	3	Nil
Mr. Sushil Kumar Khowala	Independent Director	Independent -Non-Executive	2	Yes	1	3	3
Mr. Udit Kumar Sarkar	Independent Director	Independent -Non-Executive	3	Yes	-	3	Nil

The present Board comprises of seven members. Three of the members are Executive Directors (ED). Four Directors on the Board are independent Directors who have no business and / or professional relationship with the Company. The Non-Executive Directors (NEDs) with their diverse knowledge, experience and expertise bring in independent judgment in the deliberations and decisions of the Board.

Board Meetings and Attendance

The Company's Corporate Governance Policy requires the Board to meet at least four times in a year. As against this, during the financial year ended 31st March, 2008, six meetings of the Board were held, with at least one in each quarter. 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.

**Board Agenda**

The Annual calendar of meetings are 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 four committees of the Board- the Audit Committee, Shareholders' Grievance Committee, Remuneration Committee, Committee of Directors i.e. the Functional 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 proceedings 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, consists of the following directors:

<u>Name</u>	<u>No. of meetings held</u>	<u>No. of meetings attended.</u>
Mr. Sushil Kumar Khowala Independent Director.	4	4
Mr. Bharat Kumar Seta. Independent Director.	4	2
Mr. Udit Kumar Sarkar. Independent Director.	4	3

All the members of the Audit Committee are non-executive Directors and Independent .The Company Secretary acts as the Secretary of the Audit Committee. The terms of reference of Audit Committee are quite comprehensive and include all that is mandated under clause 49 and section 292A of the Companies Act, 1956.

Duties and Responsibilities

- (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

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

**ACTIVITIES****(I) Documents/Reports Review**

It reviews the regular internal reports to the management prepared by the Internal Auditors including significant findings and follow-up and management's response.

Discuss 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.

Review the disclosure of Company's financial information to ensure that the financial statements are correct, sufficient and credible.

Reviews with management the 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

Review the Company's financial and risk management policies

Review the adequacy of Accounting records maintained in accordance with the provisions of the Companies Act, 1956

II. Statutory Auditors

- a) Recommends to the Board of Directors the selection of the Statutory Auditors and approves the fees paid to them. The Committee also discusses annually with the Auditors all significant relationships the Auditors have with the Company to determine their independence.
- b) Reviews the performance of the Statutory Auditors
- c) Periodically holds consultation with the Statutory Auditors about the internal controls and the accuracy of the Organization's financial statements.

III. Financial Reporting Process

- i) Reviews the integrity of the Organization's financial reporting processes, both external and internal.
- ii) Considers and approves major changes to the Company's auditing and accounting principles and practices as suggested by the Management or Internal Auditors.

MEETINGS

During the year ended 31st March, 2008 the Committee held four meetings. The Audit Committee meetings are attended by Head of Finance, Senior Manager Finance and representatives of Statutory Auditors and Internal Auditors.

REMUNERATION COMMITTEE

The 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 Initiatives and assists the Board in the implementation of the "Policy on Prohibition of Insider Trading and Fraudulent and Unfair Practices"



Thus the 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 Remuneration Committee comprises of:

Mr. Sushil Kumar Khowala- Chairman	- Independent Director.
Mr. Bharat Kumar Seta	- Independent Director.
Mr. Udit Kumar Sarkar	- Independent Director

During the year under review, two Remuneration Committee meetings were held wherein all members of the Remuneration Committee were present.

Remuneration Policy

The Company follows a market linked remuneration policy, which is aimed at attracting and retaining the best talent. Compensation is also linked to individual and team performance as they support the achievement of corporate goals. The Company does not at present, have an Employee Stock Option Plan.

Remuneration to Directors

Details of Remuneration paid to all Directors in the financial year 2007-08

DIRECTOR	DESIGNATION	SALARY & PERQUISITES (Rs.)	SITTING FEES (Rs.)	TOTAL (Rs.)
Mr. Rajeev Singh Dugal	Managing Director	14,76,072	-	14,76,072
Mrs. Kawaljeet Kaur Dugal	Executive Director	3,60,000	-	3,60,000
Mr. Jasjit Singh Dugal	Executive Director	1,44,000	-	1,44,000
Mr. Udit Sarkar	Independent Non-Executive director	-	10000	10000
Mr. Sushil Kumar Khowala	Independent Non Executive director	-	12000	12000
Mr. Bharat Kumar Seta	Independent Non Executive director	-	14000	14000
Mr. Brahma Vasudevan	Nominee Director	-	2000	2000
GRAND TOTAL		19,80,072	38,000	20,18,072

There are no stock options available / issued to any Directors of the Company and this does not form a part of their contract with the Company.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted Shareholders'/Investors' Grievance Committee comprising Mr. Sushil Kumar Khowala, Mr. Bharat Kumar Seta and Mr. Udit Kumar Sarkar.

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 dividends, 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 Directors and the Company Secretary.

Compliance Officer

During the financial year 2007-2008 Mr. Ashok Kumar 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 and will continue holding the same designation.

Investor Grievance Redressal

STATUS OF COMPLAINTS FOR THE PERIOD 2007-2008

1.Number of complaints received from the investors comprising of Non-receipt of Dividend Warrants , Non-Receipt of Securities sent for transfer and transmission. Complaints received from SEBI etc.	37
2.Number of complaints resolved	37
3.Number of complaints not resolved to the satisfaction of the investors as 31 st March, 2008	Nil
4. Complaints Pending as at 31 st March, 2008	Nil
5. Number of share transfer pending for approval as at 31 st March, 2008	Nil

No. of Committee meetings held during the year- 22.

Committee of Directors/Functional Committee

The primary role of the Committee of Directors is strategic management of the Company's businesses within Board approved direction /framework. This committee is delegated with powers and duties with respect to specific purposes and also for routine functioning. Time schedule for holding the meetings of this Committee is finalized in consultation with the Committee members.

Composition: The Committee of Directors comprises of the entire Executive Directors who are:-

1. Mr.Rajeev Singh Dugal Chairman Cum Managing Director
2. Mrs. Kawaljeet Kaur Dugal Whole Time Director.
3. Mr. Jasjit Singh Dugal Whole Time Director.

Meetings and attendance

The Committee of Directors is convened and chaired by the Chairman. Simple majority takes decisions at this committee meetings. Minutes of Committee meetings are placed before the Board for its information .

The Committee of Directors met 22 times during the financial year.

DISCLOSURES

Materially significant related party transactions, which may have potential conflict with the interests of the Company at large.
-NONE

Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/ Statutory Authorities on any matter related to capital markets during the last three years.- NONE

Pecuniary relationships or transactions with Non-Executive Directors.-NONE

**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 (I) (D)(ii) of the listing Agreement with the Stock Exchanges.

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and ethics for Directors and Senior Management in respect of the financial year 2007-08.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 28.07.2008

Rajeev Singh Dugal
Chairman & Managing Director



CEO/CFO CERTIFICATION

The CEO i.e. the Managing Director of the Company and the CFO has certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
 - (b) They are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
 - (c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and that they have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- a) They 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
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

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
2004-2005	AGM	Bharitya Bhasha Parishad, Shakespeare Sarani, Kolkata-700017	10.08.2005
2004-2005	EGM	Beldih Club, Bistupur Jamshedpur-831001	14.10.2005
2004-2005	EGM	Beldih Club, Bistupur Jamshedpur-831001	30.06.2005
2005-2006	AGM	The Golden park 13, Ho-Chi Minh Sarani Kolkata - 700073	20.07.2006
2006-2007	AGM	The Golden park 13, Ho-Chi Minh Sarani Kolkata-700073	25.08.2007



No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

Special resolutions passed in the last 3 AGMs

1. Re-appointment of Kawaljeet Dugal and Jasjit Singh Dugal as Whole-Time Directors of the Company
2. Appointment of Auditors other than the retiring Auditors
3. Alteration of Articles
4. Approval of Borrowings in excess of paid-up capital and free reserves
5. Raising of Funds
6. Voluntary De-listing of shares from certain stock Exchanges
7. Approval of payment of sitting fees to Non-Executive directors.

MEANS OF COMMUNICATION

The Company publishes as per Listing Agreement, the quarterly results in two widely circulated newspapers from Kolkata i.e Kalantar & Business Standard.

As per the newly inserted clause 51 of the Listing Agreement with the stock exchanges, certain documents/information's such as quarterly/annual financial results, shareholding pattern and corporate governance are accessible on the website www.sebiedifar.nic.in

Presentations were also made to the analysts, institutional investors, fund managers etc. from time to time.

Management's Discussions & Analysis forms part of this annual report which is posted to the shareholders of the Company.

GENERAL SHAREHOLDERS INFORMATION

AGM date, Time and Venue	12.09.2008 at 12.30 p.m at "The Golden Park Hotel"
Financial Calendar for 2008-2009	
<u>Financial Reporting :</u>	
1. For the quarter ending June 30, 2008	By 30.07. 2008
2. For the quarter ending Sept 30, 2008	By 31.10. 2008
3. For the quarter ending Dec 31, 2008	By 31.01. 2009
4. For the year ending March 31, 2009	By 30.04.2009
Date of Book Closure	The Share Transfer Books and the Register of Members shall remain closed from 02.09.2008 to 12.09.2008 (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
Dividend Payment Date	17.09.2008

Unclaimed Dividend

All unclaimed/unpaid dividend amounts for the financial years 1996-97 to 1998-1999 have been transferred to Investor Education Protection Fund and no claims will lie against the company or the Fund in respect of the unclaimed amounts so transferred.

Listing on Stock Exchange

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal street, Mumbai 400001

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai-400051.

The Calcutta Stock Exchange Association Ltd.,

7, Lyons Range , Kolkata-700001

(The application for delisting from the Calcutta Stock Exchange Association Ltd. is still pending)



Stock code: Trading Symbol-

BSE JMT Auto -513691
NSE: JMTAUTO LIMITED
Series : EQInternational Security Identification
No. (ISIN) in NSDL and CDSL**INE 988E01010**

The listing fees for the year 2008-09 has been paid to the above Stock Exchanges in time.

MARKET INFORMATION**Bombay Stock Exchange Limited**

High, Low (based on closing prices) and average volume, average number of trades and average value of shares traded during each month in last financial year 2007-08.

MONTH	HIGH (Rs.)	LOW (Rs.)	VOLUME OF SHARES TRADED	NO. OF TRADES
APRIL,2007	106.00	87.20	52622	759
MAY, 2007	103.10	84.00	34054	526
JUNE,2007	94.00	81.00	25711	487
JULY ,2007	99.30	76.55	50826	698
AUGUST, 2007	84.00	64.00	79210	744
SEPTEMBER,2007	85.00	68.00	60450	796
OCTOBER,2007	97.00	67.30	127518	1251
NOVEMBER,2007	88.00	66.10	65323	653
DECEMBER,2007	89.00	75.20	252980	1049
JANUARY, 2008	94.00	56.25	234624	1612
FEBRUARY,2008	64.95	50.50	53690	461
MARCH, 2008	62.50	37.00	807881	337

REGISTRAR AND SHARE TRANSFER AGENTS

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

C B Management Services Pvt. Ltd.
P-22, Bondel Road,
Kolkata - 700019.
Telephone:- 22806692 -93-94/2486/2937
2282 3236-37-38 & 3643.
Fax:- (033) 2287 0263
E-mail- cbmsl1@cal2.vsnl.net.in

SHARE TRANSFER SYSTEM

Shares lodged for transfer at the Registrar's address are normally processed within 30 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 21 days. Grievances received from members and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 30 days.

**SHAREHOLDER 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	30days
Demat of Shares	15 days
Dividend Revalidation	15 days
Issue of New Shares on surrender of old	30days
Change of address/ Bank Mandate	7 days
General Queries	10 days

DISTRIBUTION OF SHAREHOLDING AS ON March 31, 2008

Range No. of shares	Shareholder Number	% of shareholders	No. of Shares held	% to shareholding
1-500	8402	94.394	1077696	7.487
501-1000	255	2.865	217499	1.511
1001-2000	108	1.213	167385	1.163
2001-3000	44	0.494	115903	.805
3001-4000	25	.281	89958	.625
4001-5000	18	0.202	83737	.582
5001-10000	16	0.180	117782	.818
10001 and above	33	0.371	12525244	87.01
Total	8901	100.00	14395204	100.00

The Shareholding distribution of equity shares is as follows:

SHAREHOLDING PATTERN

The shareholding pattern in the Company as on March , 31 2008.

Category	No. of shares held	% of shareholding
A. PROMOTERS HOLDING		
1. INDIAN		
Individuals/HUF	1213468	8.43
Bodies Corporate	5207530	36.18
Sub-Total	6420998	44.61
2. FOREIGN	-	-
Total Shareholding of Promoter & Promoter Group	6420998	44.61
B. PUBLIC SHAREHOLDING		
1. Institutions		
Mutual Funds and UTI		
Foreign Institutional Investors	13200	0.09
2. Non-Institutions		
a. Bodies Corporate	1351482	9.39
b. Individuals		
Holding nominal share capital upto Rs.1 lac	1573647	10.93
Holding nominal share capital in excess of Rs.1 lac	493766	3.43
c. Any other		
Non-resident Indians	137106	0.95
Foreign Corporate Bodies	4387491	30.48
Sub -Total	7974206	55.39
C. Shares held by custodians & against which Depository receipts have been issued	-	-
Grand Total	14395204	100.00

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

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

The Company's shares are traded in the depository systems of both NSDL and CDSL. As on 31st March, 2008, 93.17% of the equity capital exist under the electronic form. The equity shares of the Company are actively traded on BSE.

INVESTOR CORRESPONDENCE

<p>Share transfer and communication regarding share certificates, dividends and change of address and any other queries relating to the shares of the Company.</p>	<p>(i) JMT Auto Limited 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room No.902, Kolkata-700017 0657- 6515310.</p> <p>(ii) JMT Auto Limited C-19 & 20, 7th Phase, Industrial Area, Adityapur, Jamshedpur - 832109.</p> <p>(ii) Registrar & Share Transfer Agent M/s CB Management Services Pvt. Ltd.. P -22, Bondel Road, Kolkata- 700019. Tel. : 2280-6692-93-94/2486/2937 2282-3236-37-38 & 3643 Fax : (033) 2287 0263 E-mail : cbmsl1@cal2.vsnl.net.in</p>
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COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the company M/s Deloitte Haskins & Sells conforming compliance with the conditions of Corporate Governance as stipulated under clause 49 is annexed to the Directors' report forming part of the Annual Report.

SECRETARIAL AUDIT

The Secretarial Audit Report confirming that the total issued capital of the company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL is placed before the board on a quarterly basis. A copy of the Audit Report is submitted to the Stock exchanges in India where the securities of the Company are listed.



Date: 28.07.2008

CEO/CFO CERTIFICATION

The Board of Directors,
JMT AUTO LIMITED,
Jamshedpur.

This is to certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2008 and to the best of our knowledge and belief:-

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls 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, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiency.
- (d) We have indicated to the auditors and the Audit Committee about:-
 - 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
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system..

For JMT Auto Limited

For JMT Auto Limited

Rajeev Singh Dugal
Chairman & Managing Director

(Kanchan Roy)
Chief Financial Officer

**AUDITOR'S REPORT**

TO THE MEMBERS OF
JMT AUTO LIMITED

We have audited the attached balance sheet of JMT Auto Limited as at 31st March 2008 and the profit and loss account and cash flow statement annexed thereto for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. 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.
2. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of such books;
3. The balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the balance sheet, the profit and loss account and the cash flow statement have been drawn up in accordance with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956, except for Accounting Standard 15 (revised 2005) on "Employee Benefits" as mentioned in paragraph 6 below.
5. On basis of written representations received from the directors as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to non provision of employee benefit in nature of Defined Benefit Plan in accordance with Accounting Standard 15 (revised 2005) on "Employee benefits" as notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of Balance sheet, of the state of affairs of the Company as at 31st March, 2008.
 - b) in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Bhattacharya
Partner
M/No. 054110

Place : Kolkata
Date : 28.07.2008

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date)

The nature of the Company's business/activities during the year is such that clause (xiii) of Paragraph 4 of the Order is not applicable to the Company.

- (I) in respect of its fixed assets :
 - (a) The Company has maintained proper records showing full particulars, excepting for certain cases where quantitative details and situation of its fixed assets has not been mentioned, we are informed that the same is in the process of updation.
 - (b) Some of the fixed assets were physically verified during the peirod by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not afected the going concern status of the Company.
- (ii) In respect of its inventories :
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company maintains proper records of its inventories except for issue of raw material recorded based on standard consumption. However no material discrepancies were noticed on physical verification as compared to the book records.
- (iii) According to the information and explanations given to us the Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii) (a) to (iii) (d) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion, the transactions exceeding the value of rupees five lakhs in respect in respect of any party during the year have been made at prices which are prima facie, reasonable, having regard to prevailing market prices at the relevant time where such prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the purview of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.
- (vii) In our opinion, the internal audit functions carried out by an external agency during the year appointed by the management needs to be strengthened such that it is commensurate with th size of the Comapany and the nature of its business.
- (viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products of the Company.



(ix) In respect of statutory dues :

According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year.

(a) According to the information and explanations given to us, there is no disputed due on account of Income tax, Customs duty, Wealth tax, Service tax, Excise duty. Details of Sales tax which have not been deposited as on 31st March, 2008 on account of any dispute are given below :

Name of the Statute	Nature of dues	Value (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Jharkand Sales Tax Demands	Sales Tax	1.49	2002-03	Deputy Commissioner of commercial taxes Appeals, Jamshedpur

- (x) The Company does have any accumulated losses at the end of the financial year and the Company has not incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As informed and explained to us, the Company has not dealt/traded in shares, securities, debentures and other investments during the year.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion term loans availed by the Company were, prima facie applied by the Company during the year for the purposes for which loans were obtained.
- (xvi) According to the information and explanations given to us, and on an overall examination of balance sheet of Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xvii) According to the information and explanations given to us, Company has made preferential allotment of shares by way of conversion of share warrant to parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xviii) According to the information and explanations given to us and the records examined by us, no debentures are issued by the Company during the year.
- (xix) The Company has not raised any money through public issues during the year.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Bhattacharya
Partner
M/No. 054110

Place : Kolkata
Date : 28.07.2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	Rs. in Lac	As at 31.03.2008 Rs. in Lac	Rs. in Lac	As at 31.03.2007 Rs. in Lac
I. SOURCES OF FUNDS					
a) SHARE HOLDERS' FUNDS					
i) Share Capital	A	1,439.52		1,409.52	
ii) Reserves and Surplus	AA	8,198.79		7,184.87	
iii) Equity Warrants	B	-	9,638.31	32.45	8,626.84
b) LOAN FUNDS					
i) Secured Loans	C	12,858.40		7,819.22	
ii) Unsecured Loans	D	981.00	13,839.40	400.38	8,219.60
c) DEFERRED TAX LIABILITIES					
(refer note B(xiv), Schedule T)			1,187.47		1,187.47
			<u>24,665.18</u>		<u>18,033.91</u>
II. APPLICATION OF FUNDS					
a) FIXED ASSETS :					
i) Gross Block	E	19,943.15		15,548.68	
ii) Less: Depreciation		5,698.71		4,286.24	
iii) Net Block		14,244.44		11,262.44	
iv) Capital work - In-Progress		2,029.15		1,809.85	
			16,273.59		13,072.29
b) INVESTMENTS					
	F		1.00		2.17
c) CURRENT ASSETS, LOANS AND ADVANCES					
i) Inventories	G	8,648.46		5,318.47	
ii) Sundry Debtors	H	2,275.49		1,622.34	
iii) Cash and Bank Balances	I	360.37		57.10	
iv) Loans and Advances	J	2,582.34		1,815.23	
		13,866.66		8,813.14	
Less :					
d) CURRENT LIABILITIES AND PROVISIONS					
i) Current Liabilities	K	4,949.45		3,418.47	
ii) Provisions	L	526.62		435.22	
		5,476.07		3,853.69	
NET CURRENT ASSETS			<u>8,390.59</u>		<u>4,959.45</u>
			<u>24,665.18</u>		<u>18,033.91</u>
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS T					

The Schedules referred to above form an integral part of the Balance Sheet.
As per our report of even date attached.

on Behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Place : Kolkata
Dated : 28th July, 2008

Rajeev Singh Dugal
Chairman & Managing Director

Kawaljeet Dugal
Director

Jasjit Singh Dugal
Director

Ashok Kumar
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

Schedule	Rs. in Lac	Year Ended	Rs. in Lac	Year Ended
		31.03.2008		31.03.2007
		<u>Rs. in Lac</u>		<u>Rs. in Lac</u>
I. INCOME				
a) Gross Sales	22,608.81		18,749.12	
Less : Excise Duty	2,899.58		2,442.41	
Less : Sales Tax	811.14		891.36	
Net Sales		18,898.09		15,415.35
b) Job Works [Tax Deducted at Source Rs. 18.09 Lacs, (Previous Year Rs. 15.09 Lacs)]	1,209.52		836.37	
Less : Service Tax	-		0.17	
Net Job Works		1,209.52		836.20
c) Other Income	M	199.11		294.70
		<u>20,306.72</u>		<u>16,546.25</u>
II. EXPENDITURE				
a) Operating Expenses	N	15,656.14		13,041.97
b) (Accretion) / Decretion of Stock	O	(445.10)		(292.92)
c) Payment and Benefit to Employees	P	893.14		617.07
d) Administrative Expenses	Q	354.28		281.85
e) Selling and Distribution Expenses	R	252.92		229.12
f) Finance Cost	S	1,035.09		542.91
g) Depreciation		1,421.56		1,113.95
		<u>19,168.03</u>		<u>15,533.95</u>
III PROFIT				
PROFIT BEFORE TAX		1,138.69		1,012.30
TAXES				
i. Current Tax	240.93		111.14	
ii. Deferred Tax (Refer to Note B(xiii) of Schedule T)	-		262.62	
iii. Fringe Benefits Tax	9.89	250.82	6.68	380.44
PROFIT AFTER TAXATION		887.87		631.86
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		2,154.36		1,683.89
Excess Provision for Tax of earlier years		-		7.02
PROFIT AVAILABLE FOR APPROPRIATION		<u>3,042.23</u>		<u>2,322.77</u>
IV APPROPRIATIONS				
- DIVIDEND ON EQUITY SHARES		143.95		143.95
- CORPORATE TAX ON DIVIDEND		24.46		24.46
- TRANSFER TO GENERAL RESERVE		-		-
BALANCE CARRIED TO BALANCE SHEET		<u>2,873.82</u>		<u>2,154.36</u>
		<u>3,042.23</u>		<u>2,322.77</u>
V EARNINGS PER SHARE (FACE VALUE RS. 10/- EACH)				
BASIC and DILUTED		6.17		4.64
(refer note B (xv), Schedule T)				
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS T				

The Schedules referred to above form an integral part of the Profit & Loss Account.
As per our report of even date attached.

on Behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Place : Kolkata
Dated : 28th July, 2008

Rajeev Singh Dugal
Chairman & Managing Director

Kawaljeet Dugal
Director

Jasjit Singh Dugal
Director

Ashok Kumar
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Year Ended 31.03.2008 Rupees in Lac	Year Ended 31.03.2007 Rupees in Lac
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Extraordinary Items	1,138.69	1,012.30
Adjustment for :		
Depreciation	1,421.56	1,113.95
Interest Expenses	1,035.09	530.60
Income From Mutual Funds - Dividend	-	(21.75)
Profit on Redemption of Mutual Funds	-	(0.95)
Foreign Exchange loss/(gain)	7.88	(19.39)
(Gain) / Loss on Disposal of Fixed Assets	(2.10)	-
Sundry Balance and Excess provision written off (net)	11.99	(24.59)
Provision for diminution in value of Investments	1.00	-
	<u>2,475.42</u>	<u>1,577.87</u>
Operating Profits before Working Capital Changes	3,614.11	2,590.17
Adjustment for :		
(Increase) / Decrease in Trade and Other Receivable	(1,428.85)	(1,042.42)
(increase) / Decrease in Inventories	(3,329.99)	(2,031.37)
Increase / (Decrease) in Trade Payable and Other Liabilities	1,511.11	1,267.05
Cash Generated from Operations	<u>366.38</u>	<u>(1,806.74)</u>
Direct Tax Paid	(150.83)	(89.09)
Net Cash from Operating Activities	<u>215.55</u>	<u>694.34</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,623.57)	(6,440.57)
Sale of Fixed Assets	2.81	-
Purchase / sale of Investments (net)	0.17	1,405.31
Income From Mutual Funds	-	22.70
	<u>(4,620.59)</u>	<u>(5,012.56)</u>
Net Cash from Investing Activities	(4,620.59)	(5,012.56)
C. CASH FLOW FROM FINANCE ACTIVITIES		
Equity Shares Raised	-	70.00
Securities Premium Raised	-	616.42
Conversion of Share Warrants	292.02	32.45
Increase in Borrowings	5,601.90	4,296.36
Interest Paid	(1017.20)	(522.22)
Dividend Paid (Including Corporate Dividend Tax)	(168.41)	(152.74)
Net Cash from Financing Activities	<u>4,708.31</u>	<u>4,340.27</u>
Net Increase / (decrease) in Cash & Cash Equivalents	303.27	22.05
Cash and Cash Equivalents - Opening Balance	57.10	35.05
Cash and Cash Equivalents - Closing Balance *	360.37	57.10

Notes : (1) Previous Year figures have been regrouped / rearranged wherever necessary.

Notes : (2) Figures in brackets represent outflows.

As per our report of even date attached.

on Behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Place : Kolkata

Dated : 28th July, 2008

Rajeev Singh Dugal
Chairman & Managing Director

Kawaljeet Kaur Dugal
Director

Jasjit Singh Dugal
Director

Ashok Kumar
Company Secretary

**SCHEDULE TO ACCOUNTS**

	As at 31.03.2008 Rs. in Lac	As at 31.03.2007 Rs. in Lac
<u>SCHEDULE - A</u>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
15,000,000 (Previous Year 15,000,000) Equity Shares of Rs.10/- each	1,500.00	1,500.00
<u>ISSUED, SUBSCRIBED & PAID-UP</u>		
14,395,204 (Previous Year 14,395,204) Equity shares of Rs.10/- each fully paid up	1,439.52	1,409.52
	<u>1,439.52</u>	<u>1,409.52</u>

Notes :-

1. Out of the above subscribed and paid up Capital 18,000(Previous Year: 18,000) Equity Shares have been allotted as fully paid up for consideration other than in cash pursuant to an agreement.
2. Out of the above subscribed and paid up Capital 631,794(Previous Year: 631,794) Equity shares have been issued as fully paid up Bonus Share by Capitalization of the balance in the Profit & Loss Account.
3. Out of the above subscribed and paid up capital 300,000 (Previous Year : NIL) Equity Shares represent warrants converted into equity shares.

SCHEDULE - AA
RESERVES & SURPLUS

	As at 01.04.2007	Additions	Deduction	Rs. in Lac As at 31.03.2008
a) Capital Reserve	25.50	-	-	25.50
b) Share Premium	3,903.75	294.46	-	4,198.21
c) General Reserve	1,101.26	-	-	1,101.26
d) Profit & Loss Account	2,154.36	719.46	-	2,873.82
	<u>7,184.87</u>	<u>1,013.92</u>	<u>-</u>	<u>8,198.79</u>

SCHEDULE - B
EQUITY WARRANTS

Equity Warrants [Refer to Note b(X) of Schedule T]	-	32.45
	<u>-</u>	<u>32.45</u>



<u>SCHEDULE - C</u> <u>SECURED LOANS</u> <u>FROM BANKS</u>	As at <u>31.03.2008</u> <u>Rs. in Lac</u>	As at <u>31.03.2008</u> <u>Rs. in Lac</u>
A) Term Loans		
State Bank of India		
i) Rupee Loans ⁽¹⁾	3,836.76	3179.49
ii) FCNR (B) Loans ⁽¹⁾	81.63	244.95
FROM OTHERS		
Bodies Corporate ⁽⁴⁾	266.56	350.00
B) Working Capital		
State Bank of India		
i) Demand Loan (in Foreign Currency) ⁽²⁾	1,006.24	-
ii) Cash Credit ⁽²⁾	5,771.53	3,441.18
iii) Short Term Loan ⁽²⁾	513.00	376.71
IDBI Bank Ltd. Cash Credit ⁽²⁾	1,363.29	201.13
C) Others		
ICICI Bank Ltd. ⁽³⁾	11.43	14.95
HDFC Bank Ltd. ⁽³⁾	7.96	10.81
	<u>12,858.40</u>	<u>7,819.22</u>

1. Term Loans are secured by a first charge over entire fixed assets of the Company and charge over factory land & building by way of equitable mortgage, extension of charge on all current assets of the Company and further secured by guarantee by some of the directors of the Company and two associate companies.
2. Working Capital facilities are secured by hypothecation of entire stocks of raw materials, work-in-progress and inished goods, consumable stores and receivables in favour of the bank, extension of first charge on all the fixed assets of the company and further secured by guarantee by some of the directors of the Company and two associate companies.
3. Loans from ICICI Bank Ltd. and HDFC Bank Ltd. are for Hire purchase Agreements secured by way of hypothecation on the vehicle financed by them.
4. Loan from Bodies Corporate (Tractors and Farm Equipment Limited) are secured by first charge over assets to the extent of Rs. 2.66 crores)

SCHEDULE - D
UNSECURED LOANS

From Banks	980.70	400.08
From Bodies Corporate		
Interest Accrued and due	0.30	0.30
	<u>981.00</u>	<u>400.38</u>


**SCHEDULE - E
FIXED ASSETS**

(Rs. in Lac)

Assets	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01.04.07	Additions during the year	Sale/ Adj. during the year	As at 31.03.08	As at 1.04.07	Addition/ Amortisation During The Year	Sale/ Adj. during the year	As at 31.03.08	As at 31.03.08	As at 31.03.07
Leasehold Land*	148.09	12.65	-	160.74	8.61	1.43	-	10.04	150.70	139.48
Freehold Land	27.77	26.89	-	54.66	-	-	-	-	54.66	27.77
Building	2,069.76	1,631.05	-	3,700.81	209.43	77.69	-	287.12	3,413.69	1,860.33
Plant and Machinery	12,950.00	2,596.27	8.91	15,537.36	3,921.09	1,303.72	8.81	5,216.00	10,321.36	9,028.91
Furniture and Fixtures	108.74	42.26	-	151.00	40.61	7.28	-	47.89	103.11	68.13
Vehicles	75.31	-	0.70	74.61	23.66	6.73	0.27	30.12	44.49	51.65
Other Equipments	59.68	8.73	0.19	68.22	16.85	8.61	0.01	25.45	42.77	42.83
Computers	109.33	40.96	-	150.29	65.99	16.10	-	82.09	68.20	43.34
Total (A)	15,548.68	4,358.81	9.80	19,897.69	4,286.24	1,421.56	9.09	5,698.71	14,198.98	11,262.44
Intangible Asset										
Computer Software**	-	45.46	-	45.46	-	-	-	-	45.46	-
Total (B)	-	45.46	-	45.46	-	-	-	-	45.46	-
Total (A+B)	15,548.68	4,404.27	9.80	19,943.15	4,286.24	1,421.56	9.09	5,698.71	14,244.44	11,262.44
Previous Year	10,556.41	4,992.27	-	15,548.68	3,172.29	1,113.95	-	4,286.24	11,262.44	
Capital Work in progress									2,029.15	1,809.85

* Includes land amounting to Rs. 12.65 Lac (Previous Year : Nil) held in the name of individual Directors in view of constraints of local legislation

Computer Software capitalised as on 31st March, 2008 hence not amortised during the year.

SCHEDULE F - INVESTMENTS
Long Term - At Cost

Rs. in Lac

Particulars	Face Value	Quantity		Amount	
		As at 31.03.08	As at 31.03.07	As at 31.03.08	As at 31.03.07
I. In Government Securities					
Unquoted					
National Saving Certificate	-	-	-	-	0.17
II. In Equity Shares					
Unquoted - Trade					
Nicco Jubilee Park Limited	10	10,000.00	10,000.00	1.00	1.00
Jaimex International Private Limited	10	10,000.00	10,000.00	1.00	1.00
				2.00	2.17
				1.00	-
				1.00	2.17

Less : Provision for diminution in the value of Investment
Aggregate amount of unquoted investment



	As at <u>31.03.2008</u> Rs. in Lac	As at <u>31.03.2007</u> Rs. in Lac
<u>SCHEDULE - G</u>		
<u>INVENTORIES</u>		
(As taken, valued and certified by management)		
Stores & Consumables	503.55	483.18
Raw Materials	6,837.24	4,103.08
Work-in-Progress	1,059.76	636.56
Finished Goods	76.51	54.61
Raw Materials in Transit	<u>171.40</u>	<u>41.04</u>
	<u><u>8,648.46</u></u>	<u><u>5,318.47</u></u>
<u>SCHEDULE - H</u>		
<u>SUNDRY DEBTORS</u>		
Debts outstanding for a period exceeding six Months	685.91	142.02
Others Debts	1,642.10	1,532.84
Less: Provision for Doubtful Debts	<u>(52.52)</u>	<u>(52.52)</u>
	<u><u>2,275.49</u></u>	<u><u>1,622.34</u></u>
Sundry debts , Unsecured and Considered Good	2,275.49	1,622.34
Sundry debts , Considered Doubtful	<u>52.52</u>	<u>52.52</u>
	<u><u>2,328.01</u></u>	<u><u>1,674.86</u></u>
<u>SCHEDULE - I</u>		
<u>CASH AND BANK BALANCES</u>		
Cash balance on hand	7.10	3.66
<u>Bank balances</u>		
With Scheduled Banks:		
i) In Current Accounts	260.16	27.11
ii) In Fixed Deposit Accounts	<u>81.00</u>	<u>14.48</u>
iii) In Unpaid Dividend Accounts	<u>12.11</u>	<u>11.85</u>
	<u><u>360.37</u></u>	<u><u>57.10</u></u>
Note : Fixed deposit receipt of Rs. 81.00 Lac (Previous Year Rs. 14.48 Lac) deposited with bank as margin money againsts bank guarantee.		
<u>SCHEDULE - J</u>		
<u>LOANS AND ADVANCES</u>		
(Unsecured and considered good)		
Advance receivable in cash or in Kind for the value to be received	1,160.80	662.29
Advance Payment of Income Tax	251.12	259.71
Balance with Central Excise	994.66	778.34
Balance with Sales Tax	68.27	27.85
Security Deposit	<u>107.49</u>	<u>87.04</u>
	<u><u>2,582.34</u></u>	<u><u>1,815.23</u></u>

**SCHEDULE - K**
CURRENT LIABILITIES

	<u>As at</u> <u>31.03.2008</u> <u>Rs. in Lac</u>	<u>As at</u> <u>31.03.2007</u> <u>Rs. in Lac</u>
Sundry Creditors-Micro, Small and Medium enterprises@ - Others*	4,570.70	3,207.60
Interest accrued not due on loan	0.52	8.38
Expenses Payable#	119.35	105.77
Duties & Taxes Payable	48.02	26.51
Advance Received :		
- From Customers	149.93	58.36
- From Others	48.82	-
Unclaimed Dividend	12.11	11.85
	<u>4,949.45</u>	<u>3,418.47</u>

@The company has not received information from vendors regarding their status under the Micro, small and Medium Enterprises development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

* Includes sundry creditors for capital goods Rs. 312.63 Lacs (Previous Year Rs. 146.95 Lacs)

Includes amount payable to Directors Rs. 0.63 Lacs (Previous Year Rs. 1.14 Lacs)

Note -

There is no amount due and outstanding at the balance sheet date to be credited to Investor education and protection fund.

SCHEDULE - L
PROVISIONS

Provision for Taxes	352.07	262.38
Provision for Fringe Benefit Tax [Net of advance Tax Rs. 12.03 Lacs, Previous year R. 9.75 Lacs]	6.14	4.43
Proposed Dividend	143.95	143.95
Provision for Corporate Tax on Dividend	24.46	24.46
	<u>526.62</u>	<u>435.22</u>

SCHEDULE - M
OTHER INCOME

	<u>Year Ended</u> <u>31.03.2008</u> <u>Rs. in Lacs</u>	<u>Year Ended</u> <u>31.03.2007</u> <u>Rs. in Lacs</u>
Interest Gross (Tax deducted at source Rs. 0.54 Lac, Previous Year Rs.0.13 Lac)	2.64	1.52
Discount Received	138.06	197.13
Insurance Claim	16.01	19.96
Sundry Balance written back	15.57	24.59
Profit on sale of Investment	-	0.95
Dividend Received from Mutual Fund	-	21.75
Profit on sale of Assets	2.10	-
Rent Received	0.36	-
Exchange Fluctuation	-	19.39
DEPB License	24.37	9.41
	<u>199.11</u>	<u>294.70</u>

**SCHEDULE - N**
OPERATING EXPENSES

	<u>Year Ended</u> <u>31.03.2008</u> <u>Rs. in Lacs</u>	<u>Year Ended</u> <u>31.03.2007</u> <u>Rs. in Lacs</u>
Raw materials consumed	8,569.35	7,755.02
Stores Spare Parts consumed	1,852.48	1,415.73
Job off loading Charges	1,488.42	1,275.92
Freight Charges	452.03	356.08
Power and Fuel	2,867.68	1,954.49
Repairs - Building	48.02	31.94
- Machinery	112.03	105.80
- Others	81.95	30.62
Insurance	34.28	45.66
Rates and Taxes	4.82	7.19
Security Charges	51.46	36.93
Machine Hire Charges	66.51	14.29
Other Operating Expenses	27.11	12.30
	<u>15,656.14</u>	<u>13,041.97</u>

SCHEDULE - O
(ACCRETION)/DECRETION OF STOCK

Closing inventories:		
Finished Goods	76.51	54.61
Work - in - Progress	<u>1,059.76</u>	<u>636.56</u>
	<u>1,136.27</u>	<u>691.17</u>
Opening inventories :		
Finished Goods	54.61	51.16
Work - in - Progress	<u>636.56</u>	<u>347.09</u>
	<u>691.17</u>	<u>398.25</u>
(Accretion) / Decretion of Stock	<u><u>(445.10)</u></u>	<u><u>(292.92)</u></u>

SCHEDULE - P
PAYMENT AND BENEFIT TO EMPLOYEES

Salaries,Wages, Allowances and Bonus	825.10	562.55
Workmen and Staff Welfare Expenses	16.78	22.84
Contribution to Provident and Other Funds	51.26	31.68
	<u>893.14</u>	<u>617.07</u>

SCHEDULE - Q
ADMINISTRATIVE EXPENSES

Travelling and Conveyance	47.93	25.64
Directors Remuneration	17.04	20.21
Auditors' Remuneration	8.00	4.62
Rent	12.97	8.35
Exchange Fluctuation	7.88	-
Bank Charges	71.05	25.22
Telephone and Fax	22.62	17.19
Car hire charges	34.06	10.51
Provision for doubtful debts	-	52.52
Miscellaneous Expenses	132.73	117.59
	<u>354.28</u>	<u>281.85</u>



<u>SCHEDULE - R</u>	<u>Year Ended</u>	<u>Year Ended</u>
<u>SELLING AND DISTRIBUTION EXPENSES</u>	<u>31.03.2008</u>	<u>31.03.2007</u>
	<u>Rs. in Lacs</u>	<u>Rs. in Lacs</u>
Subscription and Advertisement	4.03	2.51
Handling and Processing Charges (Export)	0.35	18.30
Carriage Outwards	153.43	133.67
Sales Promotion	8.18	33.35
Discount Allowed	67.55	24.75
Sales Commission	19.38	16.54
	<u>252.92</u>	<u>229.12</u>
<u>SCHEDULE - S</u>		
<u>FINANCE CHARGES</u>		
Interest - Term Loan	388.22	266.49
- Working Capital	607.56	251.67
Loan processing fees	20.65	12.31
Amortization of forward premium	4.10	-
Others	14.56	12.44
	<u>1,035.09</u>	<u>542.91</u>

**SCHEDULE - T****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A) SIGNIFICANT ACCOUNTING POLICIES****(i) BASIS OF ACCOUNTING**

These are presented in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 and Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006

(ii) REVENUE RECOGNITION**a) SALES**

Revenue from sale of goods are recognized upon passage of title to the customers, which generally coincides with delivery.

Gross Sale represent the invoice value of goods sold, net of trade discount, rejections, sale returns but includes excise duty and sales tax.

b) INCOME AND EXPENDITUR

Are accounted for on accrual basis, except Dividend Income and Insurance Claims which are accounted for on receipt basis.

(iii) FIXED ASSETS

a) Fixed Assets are stated at historical 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.

b) Capital Work- In- Progress are carried at cost.

c) Expenses incurred relating to project prior to commencement of commercial production are classified as Preoperative Expenditure and disclosed under Capital Work-in-Progress (net of income earned during project development stage).

d) Intangible assets(Computer Software) are stated at cost of acquisition and amortised so as to reflect the pattern in which the asset economic benefit are consumed. Computer Software is amortised over a period of five years. Amortisation is done on straight line basis.

(iv) DEPRECIATION

a) Depreciation is provided using straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

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.

(v) FOREIGN CURRENCY TRANSACTIONS:

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 recognized over the life of the contract.

c) Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

(vi) GOVERNMENT GRANTS:

a) Government grants related to fixed assets are adjusted with the value of fixed assets/ credited to capital reserve.

b) Government grants related to revenue items are adjusted with the related expenditure/ taken on income.

(vii) INVENTORIES**Basis of Valuation:**

Raw material, components, work-in process and stores and spares are valued at/ under cost

**(viii) INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at lower of cost or fair market value determined on an individual investment basis.

Long term investments are carried at cost unless there is diminution (other than temporary) in the value of investments.

(ix) RETIREMENT BENEFITS

a) Retirement benefit in the form of Provident Fund are charged to Profit and Loss Account of the year when the contribution to the respective funds are due.

b) Retirement benefits in the form of Gratuity are charged to the Profit and Loss Account of the year when the yearly contribution is made to LIC Group Gratuity Scheme.

c) Liability on account of leave encashment is provided to the extent accrued as at the end of the financial year as per rules of the Company.

(x) INCOME TAXES

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

(xi) BORROWING COSTS

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

(xii) IMPAIRMENT OF ASSET

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(xiii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the accounts.

B) NOTES ON ACCOUNTS :

	<u>Current Year</u>	Rs. in Lac <u>Previous Year</u>
(i) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	694.24	166.70
	<u>694.24</u>	<u>166.70</u>
(ii) CONTINGENT LIABILITIES NOT PROVIDED FOR	<u>Current Year</u>	Rs. in Lac <u>Previous Year</u>
a) Bank Guarantee Outstanding	18.09	18.09
b) Claims made against the Company but not acknowledged as debts		
i. Jharkhand State Electricity Board towards fuel surcharge and delayed payment surcharge (refer to note no. XI)	46.20	46.20
ii. In respect of bill discounted with the Bank	2,659.83	1,596.89
iii. Bihar Sales Tax relating to year 2002-03, as per demand notice 519 dated 25.6.2005 with Joint Commissioner, Jamshedpur	-	6.23
iv. Bihar Sales Tax relating to year 2002-03, as per demand notice 519 dated 25.6.2005 with Joint Commissioner, Jamshedpur	1.49	1.49
c) Letter of Undertaking for availing duty exemption under EPGC Scheme	1,705.23	1,705.23


(iii) LICENCED AND INSTALLED CAPACITY

(As Certified by the Management)

	<u>Units</u>	<u>Current Year</u>	<u>Previous Year</u>
a) Licensed capacity	-	Not Applicable	Not Applicable
b) Installed capacity	-	Not Applicable	Not ascertainable

Note: As there are a considerable number of items being processed, hence the installed capacity is not ascertainable.

(iv) OPENING, CLOSING, TURNOVER AND PRODUCTION STOCK OF GOODS

Group of Goods	UOM	Opening Stock		Closing Stock		Turnover		Production Quantity
		Quantity	Rs. in Lac	Quantity	Rs. in Lac	Quantity	Rs. in Lac	Quantity
Gear	Nos	4,576.00	19.16	8,154.00	39.95	2,556,670.00	10,584.70	2,560,240.00
		(15,153.00)	(31.73)	(4,576.00)	(19.16)	(2,244,833.00)	(9,387.35)	(2,234,256.00)
Axle Components	Nos	--	--	--	--	89,619.00	709.99	89,614.00
		--	--	--	--	(99,317.00)	(44.53)	(99,317.00)
Excavator Components	Nos	1,426.00	18.34	1,388.00	23.31	911,437.00	6,203.45	911,399.00
		(1,274.00)	(2.02)	(1,426.00)	(18.34)	(740,293.00)	(5,420.18)	(740,445.00)
Engine Components	Nos	634.00	2.14	3,293.00	9.60	509,648.00	1,843.10	512,307.00
		(642.00)	(3.98)	(634.00)	(2.14)	(380,650.00)	(1,449.33)	(380,642.00)
Auto Component	Nos	--	--	--	--	1,276,783.00	373.30	1,276,783.00
		(5,234.00)	(13.44)	--	--	(760,881.00)	(416.88)	(755,647.00)
Others	--	41,965.00	14.97	30,285.00	3.65	5,799,886.21	2,894.27	5,788,206.21
		--	--	(41,965.00)	(14.97)	(5,184,978.00)	(2,034.88)	(5,226,943.00)
Total		48,601	54.61	43,120.00	76.51	11,144,038.21	22,608.81	11,138,557.21
		(22,303)	(51.17)	(48,601.00)	(54.61)	(9,410,952.00)	(18,753.15)	(9,437,250.00)

Note: Figures In brackets are for the previous year

(v) CONSUMPTION OF RAW MATERIALS AND COMPONENTS

Details of Raw Materials / Components	UOM	Current Year		Previous Year	
		Quantity	Rs. In Lac	Quantity	Rs. In Lac
Forging	No	2,818,236.00	1,715.53	2,717,493.10	1,652.61
Bright Bars	Kg	16,399,287.00	6,513.58	16,338,998.28	5,774.44
MS Pipe	Mtr	239,624.00	340.27	183,446.46	327.97
			8,569.38		7,755.02

**(vi) CONSUMPTION OF IMPORTED AND INDIGENOUS RAW -MATERIALS /COMPONENTS, STORES & SPARES PARTS**

	Current Year		Previous Year	
	Rs. in Lac	%	Rs. in Lac	%
a) Raw Materials and Components				
Imported	29.73	0.35	23.33	0.24
Indigenous	8,539.65	99.65	7,731.69	99.76
	8,569.38	100.00	7,755.02	100.00
b) Stores and Spared Parts				
Imported	177.33	9.57	18.76	1.33
Indigenous	1,675.15	90.43	1,396.97	98.67
	1,852.48	100.00	1,415.73	100.00

(vii) C.I.F. VALUE OF IMPORTS

Particulars	Current Year		Previous Year	
	Rs. in Lac	%	Rs. in Lac	%
a) Capital Goods	431.91	67.59	2,196.40	98.12
b) Raw Material and Components	29.73	4.65	23.33	1.04
c) Consumable Stores	177.33	27.75	18.76	0.84
	638.97	100.00	2,238.49	100.00

(viii) EXPENDITURE IN FOREIGN CURRENCY

Particulars	Current Year	Previous Year
	Rs. in Lac	Rs. in Lac
a) Foreign Travel	2.16	1.07
b) Handling and Processing Charges	0.35	17.84
	2.51	18.91

(ix) EARNING IN FOREIGN EXCHANGE

Particulars	Current Year	Previous Year
a) F.O.B. value of Exports	952.02	529.72
	952.02	529.72

(x) The company pursuant to Board Resolution dated 12th May 2007 has allotted 300,000 equity shares on preferential issues to the warrant holders on conversion of each warrants held by them. The company has made the application to Bombay Stock Exchange Limited and the National Stock Exchange India Limited for listing of above shares allotted and the same are pending for listing.

(xi) The Company has received demand notice of Rs. 46.20 lacs from Jharkhand State Electricity Board towards fuel surcharge and delayed payment surcharge for the period from April' 01 to March, '04. Based on the judgement of Honourable Jharkand High Court in the case of Uranium Corporation of India Ltd. vs. The Jharkand State Electricity Board & Ors. restraining the Board from taking coercive steps in case the consumer goes on paying fuel surcharge @Rs. 2,240 per unit, the Company has continued to pay fuel surcharge at the said rate. The management, therefore, estimates that the claim of the Electricity Board is not tenable and accordingly no provision has been made in the books of account.

(xi) MANAGERIAL REMUNERATION

(To Managing Director and Whole Time Directors)

Particulars	Current Year	Previous Year
	Rs. in Lac	Rs. in Lac
a) Salary	17.04	17.16
b) Contribution to Provident Funds	1.44	1.44
c) Perquisites	1.32	1.61
	19.80	20.21



Note: Directors are also covered under the Companies Group Gratuity Policy along with other employees of the Company. Contributions made to LIC's Group Gratuity Cash Accumulation Scheme have not been considered since the amount is not ascertained individually.

Within the limits specified by Schedule XIII of the Companies Act, 1956

Computation of Net Profit u/s 349 of the Act is not given in view of no commission being payable to any Directors.

(xiii) SEGMENT REPORTING

The Company has chosen the following geographical segments as primary segments.

- Local
- Export

Since export sales (including deemed export) comprise 5.84% (Previous Year 3.67%) of total turnover, no separate geographical segment is being identified for reporting.

There is also no reportable secondary segment as the Company is engaged primarily in manufacture and sale of automotive component parts.

(xiv) DEFERRED TAX ACCOUNTING

The major component of deferred tax liability arising out of timing difference as on 31st March, 2008 is on account of depreciation on depreciable assets. In view of sufficient existing provision for Deferred Tax liability as per Accounting Standard 22 notified by the Central Government under the Companies (Accounting Standards) Rules 2006, no provision for Deferred Tax liability has been made during the year.

(xv) BASIC AND DILUTED EARNINGS PER SHARE

	<u>Current Year</u>	<u>Previous Year</u>
a) No. of ordinary share at the beginning of the Year (In Lacs)	140.95	133.95
No. of ordinary share at the end of the Year (in Lacs)	143.95	140.95
Weighted average number of ordinary shares (in Lacs) outstanding during the year (in Lacs)	143.99	137.62
Face value of each ordinary shares (Rs.)	10.00	10.00
b) Profit after tax available for ordinary Share Holders (Rs. in Lacs)*	887.85	638.88
c) Earning Per Share (Rs.) - Basic and diluted**	6.17	4.64

* The amount used as the numerator in calculating Basic and Diluted earnings per share is the net profit for the year disclosed in the Profit and Loss Account.

** Potential equity shares linked to equity warrants results in anti dilution and therefore EPS has not been computed.

(xvi) RELATED PARTY DISCLOSURE

(i) 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

a) Associate Companies	Precision Automotive Co. (P) Ltd., RSD Finance Limited K. U. Auto Engineering (P) Ltd. S R P Oils (P) Ltd., Saizer Metalliks Pvt. Ltd. Omega Automotive Pvt. Ltd. Prestige Equipment Pvt. Ltd.
b) Investing Parties	Bach Ltd.
c) Key Management personnel	Mr. Rajeev Singh Dugal Mrs. Kawaljeet Dugal (up to 27th January, 2009) Mr. Jasjit Singh Dugal



d) The following transactions were carried out with related parties in the ordinary course of business :

	<u>Current Year</u>	<u>Rs. in Lacs</u> <u>Previous Year</u>
(i) Associate Companies :		
Purchase of material / finished goods	32.81	40.79
Purchase of Fixed Assets	1.50	56.27
Sale of finished goods & Job working	10.25	22.29
Services rendered / other receipts	0.52	0.68
Services availed including Job charges	44.40	42.12
Machine hire charges	16.56	--
Allotment of share warrants to promoters groups	-	15.14
Allotment of Equity shares on conversion of warrants to promoters groups including premium	136.27	-
Balance at the end of the year		
Loans/advances received	-	-
Other payables	38.17	32.43
Receivables	-	12.50
(ii) Investing Parties		
Allotment of Equity shares on preferential basis including premium	-	757.05
Consideration received towards 10% of Equity Share Warrants including premium	-	32.45
Allotment of Equity shares on conversion of warrants	116.80	-
Refer Note b(x) above		
(iii) Key Management personnel and their relatives Managerial Remuneration	19.80	20.21
[Details of remuneration to whole time directors are given in the note (xii) (a), (b) & (c).]		
Allotments of shares warrants to promoters groups	-	4.33
Allotment of Equity shares on conversion of warrants to promoter's Groups including premium	38.93	-
Refer Note b(x) above		
Balance at the end of the year		
Other payables included in current liabilities	-	1.07
(xvii) AUDITORS REMUNERATION		<u>Rs. in Lac</u>
(Excluding service tax and education cess)	<u>Current Year</u>	<u>Previous Year</u>
a) For Audit Fees	5.00	2.50
b) For Certification Matter	0.25	--
c) Others	3.00	1.80
d) Towards reimbursement of out of pocket expenses	0.23	0.32
	<u>8.48</u>	<u>4.62</u>
(xviii) During the year, the company has started commercial production of a new Forging unit having a forging capacity of 2500 tons per month by capitalizing Rs. 1,476.26 Lacs towards purchase of Plant and Machinery, Lands and Buildings & others necessary equipments. (including interest cost amounting to Rs. 84.03 Lacs capitalised as per Accounting Standard-16 on Borrowing Costs).		
(xix) Sales comprises of F.O.B. value of export (including Deemed export of Rs. 438.88 Lacs (Previous Year Rs. 199.80 Lacs) during the year was Rs. 1,390.90 Lacs (Previous Year Rs. 720.51 Lacs).		



(xix) (a) Miscellaneous Expenses includes donations of Rs. 0.13 Lacs contributed to political parties details of which are as under :

<u>Name of the political parties</u>	<u>Current Year</u>	<u>Rs. in Lac Previous Year</u>
Janata Dal United	0.07	--
Jharkand Mukti Morcha	0.04	--
Rastriya Janata Dal	0.02	0.05
Bir Khalsa Dal, Jamshedpur	--	0.11
	<u>0.13</u>	<u>0.16</u>

(xx) There is no impairment of assets as on 31.03.08.

(xxi) The Company has taken machineries on non-cancellable operating lease and lease rent amounting to Rs. 16.56 Lac (Previous Year Rs. Nil) has been charged to profit and loss account. The future minimum lease payments are as under:

		<u>Rs. in Lac</u>
Not later than one year	16.56	Nil
Later than one year and not later than 5 year	66.24	Nil

(xxii) The Company has entered into Forward contracts (being derivative instruments) which are not intended for trading or speculation purpose for hedging currency related risks.

a) There are forward contracts outstanding as on 31st March 2008 which are as follows:

<u>SI. No.</u>	<u>Particulars</u>	<u>As at 31.03.2008</u>	<u>Rs. in Lac As at 31.03.2007</u>
1	Forward Contracts	1,302.90	Nil

b) The year end foreign currency exposures existing as on 31st March 2008 that have not been hedged by a derivative instrument or otherwise amounts to Rs 491.99 Lacs (Previous Year - Rs. 308.13 Lacs).

c) The net difference in the foreign exchange (i.e. the difference between the spot rates on the date of transactions and the actual rate at which the transactions are settled/appropriate rate applicable at the year end) debited to the Profit and Loss.

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

on Behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Place : Kolkata
Dated : 28th July, 2008

Rajeev Singh Dugal
Chairman & Managing Director

Kawaljeet Kaur Dugal
Director

Jasjit Singh Dugal
Director

Ashok Kumar
Company Secretary

**ABSTRACT OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND COMPANY GENERAL BUSINESS STATEMENT PURSUANT TO PART IV OF SCHEDULE VI (AS AMENDED) TO THE COMPANIES ACT,1956****I) Registration details :**

Registration No. :	<input type="text" value="82620"/>	State Code :	<input type="text" value="21"/>
	Date Month Year		
Balance Sheet Date	<input type="text" value="31"/> <input type="text" value="03"/> <input type="text" value="2008"/>		

ii) Capital Raised During the Year (Amount in Rs.Thousands)

Public Issue	<input type="text" value="NIL"/>	Right Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

iii) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="2,466,518"/>	Total Assets	<input type="text" value="2,466,518"/>
Sources of Funds :			
Paid up Capital	<input type="text" value="143,952"/>	Reserves & Surplus	<input type="text" value="819,879"/>
Equity Warrants	<input type="text" value="0"/>	Unsecured Loan	<input type="text" value="98,100"/>
Secured Loans	<input type="text" value="1,285,840"/>	Deffered Tax Liability	<input type="text" value="118,747"/>
Application of Fund :			
Net Fixed Assets	<input type="text" value="1,627,359"/>	Investment	<input type="text" value="100"/>
Net Current Assets	<input type="text" value="839,059"/>	Misc.Expenditure	<input type="text" value="0"/>
Accumulated Losses	<input type="text" value="0"/>		

iv) Performance of Company (Amount in Rs. Thousands)

Turnover & Other Income	<input type="text" value="2,030,672"/>	Total Expenditure	<input type="text" value="1916,803"/>
Profit / (Loss) before tax	<input type="text" value="113,869"/>	Profit / (Loss) after tax	<input type="text" value="88,787"/>
Earning Per Share in Rs.	<input type="text" value="6.17"/>	Dividend rate %	<input type="text" value="10%"/>

v) Generic Names of Three Principal Products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="870800"/>
Product Description	<input type="text" value="GBS 40 (GEAR BOX COMPONENT)"/>
Item Code No. (ITC Code)	<input type="text" value="848300"/>
Product Description	<input type="text" value="ENGINE COMPONENT"/>
Item Code No. (ITC Code)	<input type="text" value="732510"/>
Product Description	<input type="text" value="AXLE COMPONENT"/>

on Behalf of the BoardFor **Deloitte Haskins & Sells**
Chartered Accountants**A. Bhattacharya**
PartnerPlace : Kolkata
Dated : 28th July, 2008**Rajeev Singh Dugal**
Chairman & Managing Director**Kawaljeet Kaur Dugal**
Director**Jasjit Singh Dugal**
Director**Ashok Kumar**
Company Secretary

JMT AUTO LIMITED

Registered Office : 224, A. J. C. Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata - 700 017

ATTENDANCE SLIP

Regd. Folio No.	:	
Name	:	
Address	:	
No. of Shares held	:	

I hereby record my presence at Annual General Meeting of the Company at Conference Hall of Golden Park, 13, Ho-Chi-Minh Sarani, Kolkata 700073 on Friday, the 12 September, 2008 at 12.30 p.m.

SIGNATURE OF THE SHAREHOLDER / PROXY

NOTES: 1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

JMT AUTO LIMITED

Registered Office : 224, A. J. C. Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata - 700 017

PROXY

I/We
.....of.....
.....being a member / members of the above named Company, hereby appoint
.....of
.....as my / our Proxy to
attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on
Friday, the 12th September, 2008

Regd. Folio :

No. of Shares held :

Signature _____

NOTE : The Proxy must be returned so as to reach the Registered Office of the Company at 224, A. J. C. Bose Road, Krishna Building, 9th Floor, Room # 902, Kolkata - 700 017 not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.



JMT AUTO LIMITED

Registered Office

224, A.J.C. Bose Road, Room No.- 902,
Krishna Building, 9th Floor, Kolkata-700017.

Telephone: 033 - 3058 1043.

Email.id - jmtauto@jmtauto.com

Website:- <http://www.jmt.auto.com>

WORK UNIT - I

A-20, Phase-1
Industrial Area, Adityapur
Jamshedpur-832109
Teleph: 0657 - 6626020

WORK UNIT - II

C-19 &20, D-2-3, D-8-12, NS-29-34,
7th Phase, Industrial Area, Adityapur
Jamshedpur-832109.
Teleph: 9 -657 - 6515343/6626301
Fax: 9 -657 - 2200749/2200280

UNIT - III (DHARWAD)

Plot No. 222, KIADB,
Belur, industrial Area
Dharwad-580011.
Telph: 0836- 2486804.
Fax: 0836 - 2486804.

UNIT - IV (FOUNDRY)

Notandih, Kandra Chauka
Main Road,
Dist: Seraikela, Kharsawan
Telph: 9386411314.

UNIT -V (FORGING)

A-45, A-46, A-47, A-48(P) & M-2
At Large Sector, Gamharia.
Telph: 8657 -6626602

UNIT VI

NS-57, 7th PHASE, Industrial Area, Adityapur,
Jamshedpur- 832109