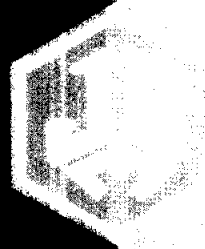


**ANNUAL REPORT
2001-2002**

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JBM Auto Components Ltd.



Corporate Information

Board of Directors

Chairman	Mr. S. K. Arya
Director	Mr. F. C. Singhal
Director	Mr. Ashok Kumar Agarwal
Director	Mr. M. K. Aggarwal
Executive Director	Mr. H. R. Saini

Chief Financial Officer & Company Secretary

Mr. N. K. Goel

Bankers

Bank of Baroda
Canara Bank
ICICI Bank Limited

Statutory Auditors

Mehra Goel & Co.,
Chartered Accountants

Share Transfer Agent

MCS Limited

Registered Office

Neel House, Lado Sarai,
Opp. Qutab Minar,
New Delhi - 110 030
Tel. : 011-653 6570-72
Fax : 011- 651 1512
E-mail : corp@jbm.co.in

Works

Plot No. 133, Sector-24,
Faridabad-121 005 (Haryana)
Tel. : 0129-523 5329-31
Fax : 0129-523 4230

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Notice

NOTICE is hereby given that Sixth Annual General Meeting of the members of JBM Auto Components Limited will be held on Friday, the 27th day of September, 2002 at 3.00 p.m. at All Heavens Resorts, Khera Khurd, Delhi-110 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 31st March 2002 and the Profit & Loss Account for the year ended 31st March 2002 and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. F.C. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. M. K. Aggarwal be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. H. R. Saini be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 or any other Statute and subject to approval of Central Government, if any required, Mr. H. R. Saini be and is hereby appointed as whole time director U/s 269 of the Companies Act, 1956 (designated as Executive Director) for a period of three (3) years with effect from 7th June 2002 upon the terms and conditions as set out below with liberty to the Board of Directors and/or remuneration committee/or any Director(s) so authorised in this behalf to alter and vary the terms & conditions of the said appointment in such manner as may be agreed with Mr. H. R. Saini.

Remuneration:

- a) Basic Salary : in the scale of Rs. 42,000 Rs. 50,000 per month with the authority to the Board/ Remuneration Committee/ or authorised Director(s) to fix his salary within the above scale from time to time.
- b) Perquisites & Allowance: in addition to the salary, Mr. Saini shall also be entitled to perquisites and allowances such as Company provided accommodation (furnished/unfurnished) or house rent allowance in lieu thereof; house maintenance allowance; reimbursement of gas, electricity, water, furnishings & repairs, servants salaries, medical reimbursement or allowance, medical/ accident insurance, leave travel concession/ assistance for himself and his family; club fees and such other perquisites & allowances in accordance with the rules of the Company or as may be agreed to by the Board/ or Remuneration Committee/ or authorised Director(s) and Mr. Saini. However perquisites & allowances shall be subject to a maximum of 150 % of his annual salary.

The perquisites and allowance shall be evaluated as per the income tax rules, wherever applicable.

JBM AUTO COMPONENTS LIMITED

- c) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites and allowances aforesaid.

RESOLVED FURTHER THAT the Whole Time Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in the event of inadequacy of profits in any financial year, the whole time director shall be entitled to minimum remuneration comprising of aforesaid salary, perquisite and other allowances which shall not exceed the ceilings laid down in Schedule XIII to the Companies Act, 1956 or any modification or re-enactment thereof. The benefits mentioned at item (iii) shall not be included in the computation of the ceiling in terms of the provisions of Schedule XIII to the said Act.

RESOLVED FURTHER THAT the remuneration shall be payable with effect from 7th June 2002.

RESOLVED FURTHER THAT Board/Remuneration Committee of the Company be and is/are hereby authorised to do all such acts, deeds or things, as may be required or considered necessary or incidental thereto."

By order of the Board
for JBM AUTO COMPONENTS LIMITED

Sd/-
N. K. Goel
Chief Financial Officer
& Company Secretary

Place: New Delhi
Date : August 14, 2002

Notes

1. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of special business above is annexed hereto.
2. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON(S) (WHETHER A MEMBER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF, AT THE MEETING.
A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 24th September, 2002 to Friday 27th September, 2002 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting and should kindly be handed over at the entrance of the meeting place. No annual report shall be provided at the meeting.
5. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
6. Any document relevant/referred to in the Notice and accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Sunday, and holidays between 11.00 a.m. to 2.00 p.m., until the date of meeting.
7. MCS Limited is the Company's and Share Transfer Agent and members may address their correspondence regarding share-transfer, change of address, dividend mandates, etc. Please quote your folio number in all correspondence.



M/s MCS Limited, Sri Venkatesh Bhawan, 212-A, Shahpurjat, New Delhi-110 049

Telephone : (011) 6494830, 6495704 Fax : (011) 6494152

8. Members holding shares in identical order of names in more than one folio are requested to write to the Company or its Registrar & Transfer Agent, and send their share certificates to enable consolidation of their holdings into one folio.
9. As per the scheme of arrangement (demerger) between JBM Auto Components Limited and JBM Tools Limited (JBMT), the shareholders of JBMT were required to surrender the original share certificates of JBMT for exchange of new shares of both Companies. Those members who have not yet surrendered the share certificate(s) for exchange are requested to surrender the same to MCS Limited.
10. The Company has filed the listing applications with the Delhi, Mumbai and National Stock Exchanges and respective listing fees have been paid.
11. Re-appointment of Mr. F. C. Singhal

Mr. F. C. Singhal is on the Board of the Company since 2000. Mr. Singhal is an industrialist and Managing Director of Super Auto India Limited. Mr. F. C. Singhal has an experience of over 45 years and is director in following other Companies:

Super Auto Industries Private Limited
Jay Bharat Maruti Limited
Jay Bharat Breed Limited
SPL Industries Limited

Mr. F. C. Singhal is member of two shareholders/investors grievance committees and one audit committee of the companies (including Committees of JBM Auto Components Limited).

Mr. F. C. Singhal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

Item No. 4

Mr. M. K. Aggarwal was appointed as an Additional Director of the Company on 7th June 2002, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Regulation 89 of the Articles of Association of the Company. The term of office of Mr. Aggarwal expires at the forthcoming Annual General Meeting.

Mr. M.K. Aggarwal is a technocrat & professional consultant and has an experience of over 36 years. Mr. Aggarwal is on the Board of following other companies:-

Compass Technologies (Pvt.) Limited
Pro-dev Technologies & Services (P) Limited
Metos Investment (P) Limited

Mr. M. K. Aggarwal is also member of shareholders/investors grievance committee and audit committee of the Company.

The Company has received letter from a member of the Company proposing the candidature of the Mr. Aggarwal for the Office of Director of the Company as per the provisions of Section 257 of the Companies Act, 1956. Mr. M. K. Aggarwal has given his consent to act as Director of the Company, if appointed. The Board of Directors is of the opinion that the experience of the appointee in the industry would be beneficial to the Company.

JBM AUTO COMPONENTS LIMITED

The Directors recommend the appointment for your approval. None of the Directors except Mr. M. K. Aggarwal, being appointee is concerned or interested in the above resolution.

Item No. 5 & 6

Mr. H. R. Saini was appointed as an Additional Director of the Company on 7th June 2002, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Regulation 89 of the Articles of Association of the Company. The term of office of Mr. Saini expires at the forthcoming Annual General Meeting.

The Company has received letter from a member of the Company proposing the candidature of Mr. Saini for the Office of Director of the Company as per the provisions of Section 257 of the Companies Act, 1956. Mr. H. R. Saini has given his consent to act as Director of the Company, if appointed. The Board of Directors is of the opinion that the experience of the appointee in the industry would be beneficial to the Company.

Further Mr. Saini was appointed as Whole Time Director of the Company U/s 269 of the Companies Act, 1956 (designated as Executive Director) for a tenure of three (3) years at a remuneration mentioned in Item No. 6 of the Notice. Requisite declaration in Form 25 C under Section 269(1) of the Companies Act, 1956 in respect of appointment of Mr. Saini as whole time director is being filed with Registrar of Companies, Delhi. The remuneration/appointment approved by the Board/ and Remuneration Committee is subject to the approval of shareholders by passing of an ordinary resolution.

Mr. H. R. Saini is a Graduate in Mechanical Engineering with specialised training abroad in tool engineering. He has to his credit 35 years of experience in engineering industry and held various senior positions in Public Sector. He has also to his credit the experience of heading a joint sector project and was the executive director of an Indo-German Tool-Room Project in Faridabad. He has been working with the Company as Executive Vice President looking after the business development, marketing and tool room activities. He is director on the Board of the following other companies: -

Neel Metal Products Limited

JBM International Limited

In the opinion of the Board, Mr. H. R. Saini is the suitable person for the position of Executive Director and capable of shouldering responsibilities entrusted by the Board from time to time. The proposed remuneration of Mr. Saini is commensurate with the remuneration package prevailing in the industry based on his experience and qualification.

Mr. H. R. Saini does not have any other pecuniary relationship with the Company except remuneration proposed to be paid by the Company. Your directors recommend the resolution for your approval. None of the Directors except Mr. Saini, being appointee is concerned or interested in the resolution.

The notice together with the explanatory statement may also be taken as compliance with the requirement of provisions of Section 302 of the Companies Act, 1956.



Directors' Report

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March 2002.

Financial Summary

	2002	(Rs. in lacs) 2001
Sales & Other Income	4317.02	7358.04
Profit before Depreciation & Financial Charges	512.01	276.69
Depreciation	150.56	141.73
Financial Charges	87.39	110.32
Profit Before Tax	274.06	24.64
Provision for Taxation		
- Current Year	21.00	2.10
- Deferred Tax	93.69	0.00
Profit After Tax	159.37	22.54

Financial Performance

During the period under review, the Company recorded sales and other income of Rs. 4317 Lacs as compared to Rs. 7358.04 Lacs in the previous year. The decline in sales is due to dropping volumes of OEMs (automobiles), to which the Company is a main supplier. However the Company, with the concerted efforts for cost reduction, has been able to record a profit of Rs. 274.06 Lacs before tax as compared to Rs. 24.64 Lacs in the previous year.

The Board has not recommended any dividend for the period considering the funds requirement of the Company for operations.

Future Outlook

Your Company is one of the largest manufacturer & supplier of sheet metal components, press tools dies, jigs and fixtures to the automobile and tractor sector.

In view of the declining and stagnant vehicle sales volume, the Company is diversifying its customers base and laid its focus on the other engineering industries especially the white goods industry. In the current year, the Company has been able to finalize business with few of the major white goods manufacturers in the northern region. The Company is also under active negotiation for the new business of tools and dies with various Auto OEMs for their upcoming new models.

The Company has the most sophisticated and state-of-art tool room facilities installed at its Faridabad location, which is catering to auto sector and white goods industry. The Company is now aggressively working on modernization of tool room facilities and adding the state of the art tools and fixtures, designing software and facilities. This will give your Company a cutting edge from its competitor

Allotment of Shares

The Company has made the allotment of equity shares on 19th January 2002, as per the Scheme of Arrangement approved by the Hon'ble High Court of Delhi.

Applications have already been made to Delhi, Mumbai and National Stock Exchanges for listing of the equity shares pursuant to the Scheme and approval is expected soon.

Agreements have been signed with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in dematerialized form. Shareholders, who have not opted for this facility, are advised to dematerialize their shares with either of the depositories.

Human Resources & Industrial Relations

During the year, HRD Department has conducted several training programmes and workshops for the employees at various levels to enhance professional and personal skills viz. Effective Communication, Team Building, Conflict Management, Stress Management, Kaizen, QS 9000, Leadership Development and Entrepreneurship Qualities etc.

During the year 2001-02, there has been complete harmony and co-operation on the industrial relations front.

Directors

Mr. F. C. Singhal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. M. K. Aggarwal and Mr. H. R. Saini were appointed as an Additional Director of the Company on 7th June 2002. The term of additional directors shall expire at the forthcoming Annual general Meeting of the Company. Notices have been received from shareholders of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Aggarwal and Mr. Saini for the office of Director. Your directors recommend the appointment.