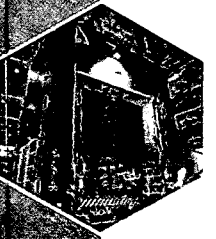
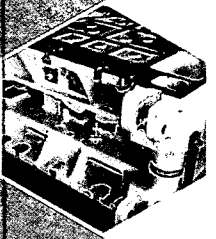
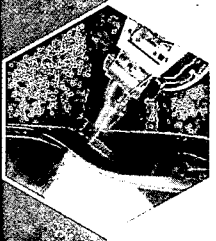
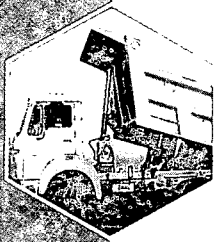


11th Annual Report 2006-07



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JBM AUTO LIMITED



Corporate Information

Board of Directors

Mr. S.K. Arya, Chairman
 Mr. Ashok Kumar Agarwal, Director
 Mr. M.K. Aggarwal, Director
 Mr. H.R. Saini, Executive Director
 Ms. Esha Arya, Executive Director

Chief Financial Officer & Company Secretary

Mr. N.K. Goel

Bankers

ABN Amro Bank
 Standard Chartered Bank
 Canara Bank
 ICICI Bank Ltd.
 HDFC Bank Ltd.
 CitiBank N.A.

Bank of Baroda

Statutory Auditors

Mehra Goel & Co., Chartered
 Accountants

Share Transfer Agent

MCS Limited

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**JBM AUTO LIMITED**

Registered Office: 603-B, Hemkunt Chambers,
89, Nehru Place, New Delhi - 110 019

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of JBM Auto Limited will be held on the Thursday, 20th day of September 2007 at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended 31st March, 2007 and the Report of the Directors and Auditors thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr. S.K.Arya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashok Kumar Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special 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 re-appointed as a whole time director (designated as Executive Director) for a period of 5 (Five) years with effect from 7th June 2007 upon the terms & conditions and remuneration as set out below:

- a) **Basic Salary:** Rs. 75,000/- (Rupees Seventy Five Thousands only) per month in the pay scale of Rs. 75,000/- - Rs. 1,50,000/- per month with an authority to Board of Directors/or Remuneration Committee to fix the quantum of annual increment within the above scale from time to time.
- b) **Perquisites & Allowances:** in addition to the basic salary, Mr. H. R. Saini shall be entitled to perquisites like furnished accommodation (including gas water, electricity etc.) or payment of House Rent Allowance (HRA); house maintenance allowance/reimbursement; Allowance/ reimbursement for domestic help/servant(s); Child education allowance/ reimbursement; Medical allowance/ reimbursement; Accident/Medical insurance; Leave travel expenses/ or allowance for self, spouse, dependent children and dependent parents; Club fee or any other permissible perquisite. The aggregate value of these perquisites shall be restricted to an amount equivalent to 100% of the basic salary per month. Further Mr. H. R. Saini shall also be entitled to such incentive remuneration, in addition to the above salary and perquisites, as may be determined by the Board of Directors of the Company or Remuneration Committee thereof at the end of each financial year, subject to the a maximum of 50% of annual basis salary.

Apart from the above, the Executive Director shall also be entitled to the followings, which shall not be included in the computation of perquisites for the purpose of calculating the said ceiling of perquisites:

- i. Company's chauffeur driven car(s) for the business of the Company;
- ii. telephone facility at residence to be used for the business of the Company;
- iii. One month's leave with full salary for every eleven (11) months of service; and
- iv. Reimbursement of entertainment/travelling/hotel and other expenses actually and properly incurred for the business of the Company;
- v. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund;
- vi. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service in the company;
- vii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the perquisites and allowances shall be evaluated as per the provisions of the Income Tax Rules in force from time to time, wherever applicable. In the absence of any such rules, perquisites and allowance shall be evaluated at actual cost.

RESOLVED FURTHER THAT Mr. H. R. Saini, Executive Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof.

RESOLVED FURTHER THAT in case of inadequacy of profits /or no profits in the Company in any financial year, Mr. H. R. Saini, Executive Director shall be entitled to the aforesaid salary, perquisites & allowances and incentive remuneration as minimum remuneration during his tenure subject to such permission, as may be required. In addition thereto, Mr. H. R. Saini, Executive Director shall also be entitled to the following perquisites (not to be included in the computation of the ceiling of the minimum remuneration):

- i. Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at the rate not exceeding half-month's salary for each completed year of service in the company.
- iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Board of Directors/or Remuneration Committee of the Company be and are hereby authorized to alter/vary the terms & conditions from time to time as it may deem fit subject to necessary approvals, if any in accordance with the applicable provisions of the Companies Act 1956.

RESOLVED FURTHER THAT in pursuance of Article No. 116 of the Articles of Association of the Company Mr. H. R. Saini, Executive Director shall not be subject to retirement by rotation whilst holding the office of whole time director.

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

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

"RESOLVED THAT in accordance with the provisions of Sections 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and the listing agreements to be entered/entered into by the Company with the stock exchanges where the Company's equity shares are to be listed and subject to the approval of the Government of India ("GOI"), Securities and Exchange Board of India ("SEBI") the Reserve Bank of India ("RBI") and the Foreign Investment Promotion Board ("FIPB") where necessary and all other appropriate statutory and governmental authorities and departments, and such other approvals, permissions and sanctions, as may be necessary, including the approval of any lenders of the Company, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" or a duly authorised committee of the Board), and in accordance with the SEBI (Disclosure and Investor Protection Guidelines), 2000 (the "DIP Guidelines") and other applicable SEBI regulations and guidelines or Securities Contracts Regulation Act ("SCRA"), the Company do offer/issue/allot up to 4000000 nos. of Equity shares of Rs. 10 each or convertible securities (which are convertible into equity shares on such terms and conditions to be specified by the Board or any committee thereof) or any other securities, at such a price including premium if any, that may be decided by the Board to be determined by the book-building process in terms of the DIP Guidelines, (the "Issue"), if any, to such person or persons, who may or may not be the shareholders of the Company, as the Board may at its sole discretion decide, including one or more of the members, promoters, employees, Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, multilateral and bilateral financial institutions, bodies corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof, or any other category of Investors who are authorized to invest in equity shares of the Company as per extant regulations/guidelines, whether through public issue, rights issue, private placement, or otherwise, in one or more modes or combinations thereof and in one or more branches, in consultation with advisors or such persons and on such terms and conditions including the number of shares or convertible security to be issued, at par or at premium and for cash or other consideration on such terms and conditions as may be finalized by the Board and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit, including the numbers of equity shares to be issued, the price at which such equity shares will be issued (whether at par or at premium, or for cash or other consideration) and the timing of such Issue, as may be finalized by the Board in consultation with the advisers appointed in this regard."

"RESOLVED FURTHER THAT the equity shares so allotted or those arising from conversion of the securities shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing equity shares of the Company including rights in respect of dividend."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares, the Board be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the securities are to be allotted, the number of securities to be allotted in each tranche, issue price, premium amount on issue, listing on one or more stock exchanges in India or abroad as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the initial public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, without requiring any further approval of the members and that all or any of the powers conferred on the Company and the Board vide this resolution may be exercised by the Board or such Committee thereof as the Board may constitute in this behalf."

"RESOLVED FURTHER THAT such of these shares or convertible securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/ Investment Institutions/ Mutual Funds/Foreign Institutional Investors/Bodies Corporate/such other persons or otherwise as the Board may in its absolute discretion decide."

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

"RESOLVED that :

- (a) subject to such consents and approvals as may be required, and such conditions and modifications, as may be considered necessary and agreed to by the Board of Directors of the Company, (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), a sum not exceeding Rs. 339.96 lacs, out of the amount of Rs. 3445.25 Lacs standing to the credit of the General Reserve Account as at March 31, 2007, be capitalized and transferred from the General Reserve Account to Share Capital Account and that such sum shall be applied for allotment of New Equity Shares of the Company of Rs. 10/- each as fully paid Bonus Shares to the persons who, on a date to be hereafter fixed by the Board (the "Record Date"), shall be the holders of the existing Equity Shares of Rs. 10/- each of the Company on the said date and that such New Equity Shares out of the Company's unissued Equity Shares, credited as fully paid, be accordingly allotted as Bonus Shares to such persons

respectively as aforesaid in the proportion of 1 (One) new Equity Shares for every 2 (Two) existing Equity Share held by such persons respectively on the Record Date, upon the footing that they become entitled thereto for all purposes as capital;

- (b) the New Equity Shares of Rs. 10/- each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing Equity Shares and shall be entitled to participate in full in any dividends declared after the Bonus Shares are allotted;
- (c) no Letter of Allotment shall be issued to the allottees of the Bonus Shares and the Share Certificates in respect of the New Equity Shares shall be issued and dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf from time to time, except that the Bonus Shares will be credited to the demat accounts of the allottees who are holding the existing Equity Shares in electronic form;
- (d) the allotment of the fully paid New Equity Shares as Bonus Shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval of the Reserve Bank of India, under the Foreign Exchange Management Act, 1999, if necessary;
- (e) to accept on behalf of the company any conditions, modifications relating to the issue of bonus shares prescribed by any regulatory/governmental/non-governmental authority and which the Board in its discretion thinks fit and proper.
- (f) for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment and distribution of the New Equity Shares."

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

"RESOLVED THAT pursuant to Section 94 and other applicable provisions of the Companies Act, 1956 and pursuant to authorization under Regulation 4 of the Articles of Association of the company, the authorized share capital of the Company be increased from Rs. 8,05,00,000/- (Rupees Eight Crores Five Lacs Only) divided into 80,50,000 equity shares of Rs.10/- each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 equity shares of Rs.10/- each."

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

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions of the Companies Act, 1956, Clause V of the Memorandum of Association of the company be altered by substituting the existing Clause V by the following :-

- V. The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

By Order of the Board
for JBM Auto Limited

Sd/-

N.K.Goel

Chief Financial Officer
& Company Secretary

Place : New Delhi
Date : 25th August, 2007

NOTES:-

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.**
2. Members are requested to bring their copy of Annual Report to the Meeting.
3. Members/Proxies should bring the Attendance Slip for attending the meeting and should kindly be handed over at the entrance of the meeting place. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are requested to write their Client ID and DP ID numbers OR Folio Number, whichever is applicable in the attendance slip for attending the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00p.m. upto the date of the Annual General Meeting.
6. (a) The Company has notified closure of Register of Members and Transfer Books thereof from 8th September, 2007 to 20th September, 2007 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares held in physical form. And in respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose as on that date.

- (b) Members are advised to encash Dividend Warrants within the initial validity period. During this period, dividend warrants shall be payable at par at the pre-designated branches of the Bank.
7. (a) To avoid the fraudulent encashment of Dividend, members holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend Warrants:
- Name of the Sole/first joint holder and Folio No.
 - Bank A/c Type and A/c No.
 - Bank Name, Branch & address (with pin code)
- (b) As per applicable guidelines of Depositories, the Company will be printing Bank Account's detail on dividend warrants as furnished by Depositories in case of members holding shares in dematerialized form. The Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details, since any change in details is to be advised by the shareholders directly to their respective Depository Participants.
8. Shareholders holding the shares in physical form may authorize the Company with their ECS mandate in the prescribed form for payment of dividend in ECS mode. The Form can be obtained either from the Company or from Share Transfer Agent. Requests for the payment of Dividend through ECS for the year 2006-2007 should be lodged with M/s. MCS Limited on or before 7th September, 2007.
9. As per section 109A of the Companies Act, 1956 the shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination is to be made in Form No. 2B, which will be made available by the Company on request.
10. Members seeking any information or clarification on the Accounts are requested to send their written queries to the Company, at least one week before the date of the meeting so that the information required may be made available.
11. The members may address their correspondence either to the Company at its registered office or its Share Transfer Agent. Please quote your folio number, email address, telephone & fax number (if any) for prompt reply.
12. Members holding shares in identical order of names in more than one folio are requested to write to the Company or its Registrar Agent, and send their share certificates to enable consolidation of their holdings into one folio.
13. **Re-appointment of Mr. S. K. Arya (Item No. 3 of the Notice)**

Mr. S.K.Arya is Promoter director and non-executive Chairman of the Company. He is retiring by rotation at the ensuing Annual General Meeting and has offered for re-appointment on being eligible.

Brief Profile of Mr. Arya

Mr. Arya is a science graduate from the Bombay University and has experience of more than 30 years in engineering industry. He is actively associated with the automobile industry and under his able leadership, the Company has done very well.

Mr. Arya has been conferred with various awards for his immense contribution to automotive and engineering industry viz: National Unity Award in 1991, Gem of India Award in 1992, Udyog Ratan Award in 1993, Best Entrepreneur for the Year Award in 1994 and FIE Foundation Award in 2001, UDYOG RATAN Award in 2005 from Hon'ble Chief Minister of Haryana and Haryana Ratan Award in 2005, by All India Conference of Intellectuals.

Mr. S. K. Arya is a Member of CII- Northern Region Council and Vice Chairman of SME Sub-Committee of CII – Northern Region. Mr. S. K. Arya is also Member of Executive Committee of ACMA. Mr. Arya is Ex-Chairman of CII - Haryana State Council, Ex- Member of PHDCCI Management Committee, Ex- Co-Chairman of Haryana Committee of PHDCCI and Ex-Chairman of Sheet Metal and Chassis parts panel of ACMA.

Mr. S. K. Arya holds directorship in the following public limited companies and membership of Committees thereof:

Company Name	Director/ Chairman	Committees		
		Audit	Remuneration	Shareholders/ Investors Grievance
Jay Bharat Maruti Limited	Chairman & Managing Director	-	-	Member
JBM Auto Limited	Chairman	-	Member	Chairman
Neel Metal Products Ltd.	Director	Member	Member	Member
Jay Bharat Exhaust Systems Ltd.	Director	-	-	-
JBM Industries Ltd	Director	-	-	-
JBM International Ltd	Director	-	-	-
A to Z Securities Ltd.	Director	-	-	-
Gurera Industries Ltd.	Director	-	-	-
Jaico Steel Fasteners Ltd	Director	-	-	-
Jay Bharat Breed Ltd.	Director	-	-	-
Minda Industries Ltd.	Director	-	-	-
Liberty Shoes Limited	Director	-	-	-

Your directors recommend the re-appointment of Mr. Arya as director considering his rich experience and valuable contribution in the growth of the Company.

14. Re-appointment of Mr. Ashok Kumar Agarwal (Item No. 4 of the Notice)

Mr. Ashok Kumar Agarwal is non-executive Independent director of the Company since 2000. He is retiring by rotation at the ensuing Annual General Meeting and has offered for re-appointment on being eligible.

Brief Profile of Mr. Agarwal

Mr. Ashok Kumar Agarwal, FCA was elected as "Youngest ever President" of The Delhi Stock Exchange Association Ltd. (DSE) in 1991 and was also re-elected in 1994 & 1999.

During 1994-95, Mr. Agarwal was member of the Committee on Capital Market of ICAI, PHDCCI and FICCI.

He was elected as Chairman of Federation of Indian Stock Exchanges (representing 20 Stock Exchanges in India) in 1999.

Mr. Agarwal has received :

- "National Citizenship Award - 1993" by Rev. Mother Terressa for outstanding contribution in the development of Indian Capital Market;
- "Vyapar Shree Award - 2000" from DSE for outstanding contribution in the growth of business of the Exchange; and
- Special Award – 2000 from NIRC – ICAI for exemplary contribution and services rendered to the cause of profession especially in the Capital Market.

Currently Mr. Agarwal is heading Globe Capital Market Group having membership of various Stock and Commodity Exchanges.

Mr. Ashok Kumar Agarwal is Chairman of the Audit Committee and Member of Remuneration Committee and Shareholders'/Investors' Grievance Committee of JBM Auto Limited.

Your directors recommend the re-appointment of Mr. Agarwal as director considering his rich experience and valuable contribution in the growth of the Company.

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

15. Re-appointment of Mr. H. R. Saini, as whole time director (Item no. 6 of Notice):

Mr. H.R. Saini was appointed as Whole Time Director, designated as "Executive Director" of the Company initially for a period of 3 (three) years from 07.06.2002 to 06.06.2005 on the terms & conditions approved by the members of the Company in the Annual General Meeting of the Company held on 27th September 2002. Thereafter, he was further re-appointed as Whole Time Director, designated as "Executive Director" of the Company for the period of 2 (two) years from 07.06.2005 to 06.06.2007 on the terms & conditions approved by the members of the Company in the Annual General Meeting of the Company held on 21st September, 2005.

Accordingly, the tenure of Mr. H.R. Saini as Whole Time Director/Executive Director came to an end on 06.06.2007.

The Board of Directors of the Company, in its meeting held on 25th May 2007, has appointed Mr. H.R. Saini as whole time director of the Company for a period of 5 (five) years w.e.f. 7th June 2007 on the terms and conditions as approved by the Remuneration Committee of the Company, subject to approval of members at the general meeting. The Remuneration Committee has also approved the terms & conditions of the re-appointment of Mr. H. R. Saini, as mentioned in the notice of this meeting.

Mr. H.R. Saini is a Graduate in Mechanical Engineering with specialized training abroad in tool engineering. He has over 40 years of experience in engineering industry and held various senior positions in Public Sector. He is looking after the business development, marketing and tool room activities of the Company. He is also director on the Board of two other public limited companies namely : M/s Neel Metal Products Limited and M/s JBM International Limited. He is also the member of Shareholders Grievance Committee of M/s JBM Auto Limited and Remuneration Committee of M/s Neel Metal Products Limited.

Mr. H.R. Saini does not have any other pecuniary relationship with the Company except remuneration proposed to be paid by the Company.

The Company does not foresee inadequacy of profits or loss during the tenure of Mr. H.R. Saini, whole time director. However considering the fact that margins remain under pressure due to stiff competition in the auto sector, an enabling provision is being made for payment of minimum remuneration in the proposed resolution, in case of inadequacy of profits or loss in the Company in any financial year(s).

In compliance with the provisions of Section 198, 269, 309 & 310 and other applicable provisions of the Act, the re-appointment of Mr. H.R. Saini as whole time director of the Company on the terms & conditions as mentioned in item no. 6 of the Notice convening the Meeting is now being placed before the members in general meeting for their approval by passing of a special resolution. The Board recommends the resolution for your approval.

The above may also be treated as an abstract of terms of appointment and memorandum of interest in compliance with the requirement of Section 302 of the Companies Act, 1956.

None of the directors of the Company except Mr. H.R. Saini, is concerned or interested in this resolution.

16. Issue of new shares (Item no. 7 of Notice)

Your Company has plans for new projects for major customers in the automotive Industry and to expand its business.

The above projects of the company involves huge funds and the Board of Directors of the company have decided to explore the possibility of issuing new shares by way of Public issue/Rights issue/Private equity/ADR/GDR etc to cater the funds requirements of the company.

The size of the issue would be upto Rs. 4,00,00,000/- which could be by way of fresh issue of Equity Shares/issue of Private Equity/issue of ADRs / GDRs on the terms and conditions as to issue pricing etc as may be decided by the Board and in compliance of SEBI (Disclosure & Investor Protection) Guidelines, 2000 ("SEBI Guidelines").

The Board of Directors have recommended the resolution for your approval.

None of the directors are interested or concerned in this resolution.

17. Bonus shares (Item no. 8 of Notice):

The present paid-up equity share capital of the Company is Rs. 679.92 Lacs and reserves and surplus was Rs. 3445.25 lacs/as on 31st March 2007. Considering the capital structure of the Company, to make it more in line with the capital employed, to increase the floating stock in the market and to reward the esteemed shareholders of the Company, the Board of Directors at their meeting held on 28th July 2007 have discussed and recommended issue of Bonus Shares in the proportion of 1 (One) new Equity Share of the Company of Rs. 10/- each for every 2 (Two) existing Equity Share of the Company of Rs. 10/- each held by the Members on a date to be fixed by the Board or any committee thereof, by capitalizing a part of the General Reserve Account. The capitalization of reserve and issue of Bonus shares shall be in accordance with the applicable guidelines.

As per Article 133 & 134 of the Articles of Association of the Company, it is proposed for the Members to approve the issue of Bonus Shares. It is also necessary to authorize the Board of Directors of the Company to complete all the regulatory formalities in connection with the issue of Bonus Shares that may be prescribed by SEBI, the Stock Exchanges on which the Company's securities are listed and / or any other regulatory authority.

The Resolutions at Item No. 8 seek approval of the Members to issue Bonus Shares on the terms and conditions set out in the said Resolution. The Board recommends the Resolutions set forth in Item No. 8 above for approval of the Shareholders.

The Directors of the Company may be deemed to be concerned or interested in the issue of the Bonus Shares to the extent of their shareholdings in the Company.

18. Increase in Authorised Capital (Item no. 9 & 10 of Notice):

At present, authorized share capital of the Company is Rs. 8,05,00,000 (Rupees Eight Crores Five Lacs only) divided into 80,50,000 equity shares of Rs. 10/- each. The present authorized share capital of the Company is not adequate to accommodate the proposed Bonus issue including existing paid-up equity share capital and thus it is required to increase the authorized share capital of the Company. Your directors propose to increase the share capital of the Company to Rs. 15,00,00,000 (Rupees Fifteen Crores only).

The increase in the authorized capital of the Company can be made with the approval of shareholders by passing of an ordinary resolution as per the provisions of Section 94 of the Companies Act, 1956.

Amendment in the Clause V of the Memorandum of Association is of a consequential nature due to increase in authorized capital. The Memorandum of Association can be amended with the approval of shareholders. Your Directors recommend the resolutions as mentioned in Item no. 9 & 10 of the Notice of the Meeting for your approval.

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



JBM AUTO LIMITED

Registered Office : 603-B, Hemkunt Chambers,
89, Nehru Place, New Delhi - 110 019

PROXY FORM

I/We resident of
in the district of being member/members of the above
named Company, hereby appoint
resident of in the district of or
failing him resident
of in the district of as
my/our proxy to attend and vote for me/us on my/our behalf at the 11th Annual General Meeting of the Company to be
held on Thursday, the 20th day of September 2007 at 3.00 P.M. at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati
Samaj Marg, Civil Lines, Delhi – 110 054 and at any adjournment thereof.

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

Signed this day of 2007.

Signed by the said

Signature of the Proxy

Attested by the shareholder

Affix
Revenue
stamp

JBM AUTO LIMITED

Registered Office : 603-B, Hemkunt Chambers,
89, Nehru Place, New Delhi - 110 019



ATTENDANCE SLIP

I hereby record my presence at the 11th Annual General Meeting of the Company held on Thursday, the 20th day
of September 2007 at 3.00 P.M. at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines,
Delhi – 110 054

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

Father's/Husband's Name

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

Registered Folio No./ID..... No. of Shares held

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

Note:

- Members/Proxies are requested to bring the duly filled in Attendance Slip to the 11th Annual General Meeting, to be handed over at the meeting.
- If you intend to appoint a proxy, please deposit duly filled Proxy Form either at Company's Registered Office or at Company's Share transfer agent's office at least 48 hours before the meeting i.e. 18th September 2007.

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



Vision

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



Mr. S.K. Arya, Chairman

Values

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1. We believe in simplicity by keeping a low profile externally and having clear, frank and effective communication in the organisation.
2. We believe in teamwork with well-defined responsibilities and accountability.
3. We believe in relationships of trust amongst people through well-defined responsibility and authority.
4. We believe in according top priority to customer focus through prompt and appropriate response.
5. We believe in respect and care for all those associated with us by meeting commitments.