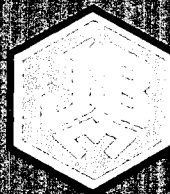


2007-08

Annual Report

2007-08



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

Bankers

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

Chief Financial Officer & Company Secretary

Mr. N.K. Goel

Statutory Auditors

Mehra Goel & Co.,
Chartered Accountants

Share Transfer Agent

MCS Limited

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Vision



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



Mr. S. K. Arya, Chairman

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Values

1. We believe in simplicity by keeping a low profile 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 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.



Plants at a Glance



Faridabad



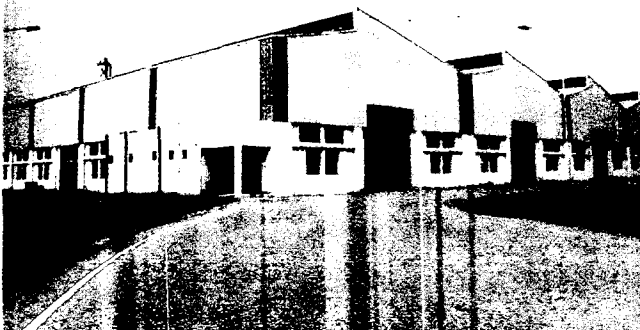
Faridabad - SPV



Greater Noida



Nashik



Kosi

**JBM AUTO LIMITED**

Registered Office: 703 B, Hemkunt Chambers
89, Nehru Place, New Delhi - 110019

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of JBM Auto Limited will be held on the Saturday, 6th day of September 2008 at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended 31st March, 2008 and the Report of the Directors and Auditors thereon.
2. To declare dividend, if any.
3. To appoint a Director in place of Mr. M.K. Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactments thereof for the time being in force) or any other Statute and subject to approval of Central Government, if any required, Ms. Esha Arya be and is hereby re-appointed as a whole time director (designated as Executive Director) for a period of 3 (three) years with effect from 1st August 2008 upon the terms & conditions and remuneration as setout below:

- a) **Basic Salary:** Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) per month.
- b) **Perquisites & Allowances:** In addition to the basic salary, Ms. Esha Arya, Executive Director 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 150% of the basic salary per month.

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.
- c) **Commission:** the Executive Director shall be entitled to such remuneration as commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company or any Committee thereof at the end of each financial year, subject to a maximum of 1% calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling on remuneration stipulated in Section 198 and 309 of the Companies Act, 1956 as amended/ modified/ re-constituted from time to time.

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 Ms. Esha Arya, 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, Ms. Esha Arya, Executive Director shall be entitled to the aforesaid salary, perquisites & allowances and commission as minimum remuneration during his tenure subject to such permission, as may be required. In addition thereto, Ms. Esha Arya, 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 Ms. Esha Arya, 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.

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Ordinary Resolution:

"RESOLVED THAT in supersession of the resolution passed at the Extra Ordinary General Meeting of the Shareholders of the Company held on 23rd May 2001 consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.500 Crores (Rupees Five Hundred Crores only)".

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/ Financial Institutions and other investing agencies to secure Rupee/ foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs.500 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required in order to give effect to the above resolution”.

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company for investment of the Company's funds to acquire Equity Shares by subscription, purchase or otherwise of the following Companies, viz.:

S.No.	Name of the Company	Amount of Investment upto (Excluding Stamp Duty)
1.	JBM MA Automotive Private Limited	Rs. 40 Crores
2.	Indo Toolings Private Limited	Rs. 5 Crores
3.	Proposed joint venture Company (to be incorporated) (pursuant to joint venture agreement between Ashok Leyland and the Company)	Rs. 20 Crores

Notwithstanding that the aggregate of the loans and investments so far made in or to be made in and the Guarantees or Securities so far given or to be given to all the Bodies Corporate may exceed the limits prescribed under the said Section.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, Statutory, Contractual or otherwise, in relation to such investment, to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required to be signed on behalf of the Company, in connection with such investment and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

By Order of the Board
for JBM Auto Limited

Place : New Delhi
Date : 29th July, 2008

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

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 25th August

2008 to 6th September 2008 (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 2007-2008 should be lodged with M/s. MCS limited on or before 25th August, 2008.
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. M. K. Aggarwal (Item No. 3 of the Notice)**
Mr. M.K. Aggarwal is Non-executive Director of the Company since 2000. He is retiring by rotation at the ensuing Annual General meeting and being eligible has offered for re-appointment, liable to retire by rotation.

Brief Profile of Mr. M. K. Aggarwal

Mr. M.K. Aggarwal is a technocrat & professional consultant and has over 42 years rich experience in industry. He is the Director, Member of Audit Committee and Remuneration Committee in the following Companies:

Company Name	Director/ Chairman	Committees		
		Audit	Remuneration	Shareholders' Grievance
JBM Auto Limited	Director	Member	Chairman	-
Compass Technologies Pvt. Ltd.	Director	-	-	-
Metos Investment (P) Ltd.	Director	-	-	-
Pragmac Sources & Services P. Ltd.	Director	-	-	-
OETS (Pvt.) Ltd.	Director	-	-	-

Your directors recommend the re-appointment of Mr. M K Aggarwal 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

14. Re-appointment of Ms. Esha Arya, as whole time director (Item no. 5 of Notice):

Ms. Esha Arya was appointed as Whole Time Director, designated as "Executive Director" of the Company initially for a period of 3 (three) years from. 01.08.2005 to 31.07.2008 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 Ms. Esha Arya as Whole Time Director/Executive Director came to an end on 31.07.2008.

The Board of Directors of the Company, in its meeting held on 21st June 2008, has appointed Ms. Esha Arya as whole time director of the Company for a further period of 3 (three) years w.e.f. 1st August 2008 on the terms and conditions as approved by the Remuneration Committee of the Company, subject to approval of members at the ensuing Annual General Meeting. The Remuneration Committee has also approved the terms & conditions of the re-appointment of Ms. Esha Arya, as mentioned in the notice of this meeting.

Ms. Esha Arya, aged 26 years, is a graduate from INSEAD (France), which is one of world's top 5 MBA schools. At INSEAD, she concentrated her efforts in the areas of strategy and entrepreneurship. Her previous education includes a BBA from Boston University (USA) with a dual major in the fields of Finance and Marketing. She has successfully participated in and completed various projects while studying abroad. She is also a director on the Board of JBM Industries Limited and Thai Summit Neel Auto Private Limited.

The Company does not foresee inadequacy of profits or loss during the tenure of Ms. Esha Arya, 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 Ms. Esha Arya as whole time director of the Company on the terms & conditions as mentioned in item no. 5 of the Notice convening the Meeting is now being placed before the members in general meeting for their approval by passing of a ordinary resolution. The Board recommends the resolution for your approval.

None of the directors of the Company except Ms. Esha Arya, herself and Mr. S.K. Arya, Chairman being related Ms. Esha Arya be treated as concerned or interested in this resolution.

15. Increase of borrowings limits under section 293(1)(d) of the Companies Act, 1956

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting.

The shareholders of the Company at the Extra Ordinary General Meeting held on 23rd May 2001 authorised the Board of Directors to borrow upto Rs.100 Crores. The Company may avail further loans from the Banks/Financial Institutions or any other Lenders for business purposes, hence, it is considered necessary to enhance the said borrowing limits of the Board of Directors to Rs.500 Crores.

The Resolution set out at item No. 6 of the notice is put-forth for consideration of the members as a Ordinary resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of Rs.500 Crores.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

16. Power to secure the borrowing limits under 293(1)(a) of the Companies Act, 1956

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Public Company can not Sell, Lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking with out the consent of the shareholders in the General Meeting.

Consequent to the borrowings made by the Company, the Company may be asked to create Mortgage/

Hypothecation or Charges on the present and Future Assets of the Company in favour of Banks/Financial Institutions or any other Lenders.

As the mortgage/Charge/Hypothecation by the Company on its Assets as aforesaid in favour of the Banks and Financial institutions may be regarded as disposal of the Company's properties/undertaking in certain events of default, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956, for creation of said charge/mortgage/Hypothecation.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

17. Inter Corporate Investments & Loans under Section 372A of the Companies Act, 1956

The Company has set up various joint ventures as a strategic tie-up during the year as described below:

1. JBM MA Automotive Private Limited, a joint venture established pursuant to joint venture agreement entered between JBM Auto Limited, India and Magnetto S.P.A., Italy to manufacture the skin panels and other underbody components for TATA Fiat JV and TATA Motors Ltd.
2. Indo Toolings Private Limited, a joint venture of JBM Auto Limited and Sandhar Technologies Limited established to maintain and operate the tool room and technical service centre of Pithampur Auto Cluster Limited, Indore (PACL).
3. The new joint venture Company is proposed to be established as joint venture of JBM Auto Limited and Ashok Leyland Limited. The Company will manufacture and supply of sheet metal components for their Commercial Vehicles plant to be set up at Utrakhand.

Pursuant to these associations, the Company will be requiring to make investment in the aforesaid joint ventures for an amount not exceeding Rs. 65 Crores.

Since the proposed amount of investment exceed the limit prescribed under Section 372A of the Companies Act, 1956 (60% of the paid share capital and free reserves or 100% of free reserves whichever is more) and to enable the Company to achieve the above purpose, the Company will be required to obtain approval of the shareholders of the Company by way of special resolution.

Any investment made in excess of limits prescribed under Section 372A of the Companies Act, 1956 requires the approval of the Company and accordingly the Board of Directors of the Company recommends passing of resolution as a special resolution for approval by the members.

By Order of the Board
for JBM Auto Limited

Place : New Delhi
Date : 29th July, 2008

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