



33RD ANNUAL REPORT
1998-99



JAMNA AUTO INDUSTRIES LIMITED

Corporate Information

BOARD OF DIRECTORS

Bhupinder Singh Jauhar, *Chairman & Managing Director*
K. Sasaki, (Representative of NHK Springs Co. Ltd., Japan)
Ashok Kumar
Prem Saigal
Randeep Singh Jauhar, *Whole-time Director*

AUDITORS

Goel Garg & Co.
Chartered Accountants &
G.S. Johar & Co.
Chartered Accountants

BANKERS

State Bank of India
Canara Bank
ICICI Banking Corporation Ltd.

REGISTERED OFFICE

Jai Springs Road
Yamuna Nagar - 135001
(Haryana) INDIA

WORKS

Jai Springs Road
Yamuna Nagar - 135001
(Haryana) INDIA &
U-27-29, Industrial Area,
Malanpur-477116
Distt. Bhind, M.P. INDIA

CORPORATE OFFICE

2, Park Lane,
Kishan Garh,
Behind D-3, Vasant Kunj
New Delhi - 110070

SHARE TRANSFER AGENTS

Magnum Business Services Pvt. Ltd.
35-A, Sant Nagar,
East of Kailash
New Delhi - 110065. INDIA
Phone : 6463336, 6476655

Financial Highlights

Year ending 31st March	(Rs.in lacs)				
	1999	1998	1997	1996	1995
Sales & Earnings					
Sales	8797.89	9120.97	10322.21	8677.23	5524.70
Other Income	883.88	34.02	49.97	35.29	32.15
	9681.77	9154.99	10372.18	8712.52	5556.85
Total Expenditure	7576.17	7483.12	8820.02	7635.12	4710.08
Gross Profits (PBDIT)	2105.60	1671.87	1552.16	1077.40	846.77
Interest	1264.16	1001.21	719.36	490.37	348.60
Profit Before Depreciation	841.44	670.66	832.80	587.03	498.17
Depreciation	397.42	352.17	326.71	262.74	233.65
Profit Before Tax	444.02	318.49	506.09	324.29	264.52
Tax	48.00	32.60	66.00	0.00	0.00
Profit After Tax	396.02	285.89	440.09	324.29	264.52
Cash Profit	793.44	638.06	766.80	587.03	498.17
What the Company Owned					
Fixed Assets - Gross Block ¹	8391.98	9484.29	7905.92	5926.45	4198.64
Less : Depreciation (Cumulative)	1684.86	1610.16	1275.34	1008.35	754.54
Net Block	6707.12	7874.13	6630.58	4918.10	3444.10
Investment	1236.58	711.59	751.52	761.90	672.39
Current Assets ²	6165.59	6166.21	5014.25	5139.14	4223.38
	14109.29	14751.93	12396.35	10819.14	8339.87
What the Company Owed					
Long Term Funds	4236.70	4197.35	3730.14	3582.72	433.34
Medium/Short Term Funds	185.73	679.92	1245.02	490.32	957.29
Working Capital from Bank	2022.57	2722.63	1647.85	1681.47	1648.97
Current Liabilities & Provision	2249.45	1991.68	2158.19	1754.67	1989.95
	8694.45	9591.58	8781.20	7509.18	5029.55
Net Worth of the Company					
Equity Share Capital	876.11	876.11	744.43	744.43	743.36
Reserves & Surplus	5150.70	4778.54	3202.16	2862.38	2634.34
Less Intangible (-)	611.97	494.30	331.44	296.86	67.38
	5414.84	5160.35	3615.15	3309.95	3310.32
Share Indices					
Cash Earnings Per Share	Rs. 9.06	Rs. 7.28	10.30	7.87	6.68
Earnings Per Share	Rs. 4.52	Rs. 3.26	5.91	4.35	3.55
Dividend Per Share	Rs. Nil	Nil	1.25	1.25	1.25
Net Worth Per Share	Rs. 61.81	Rs. 58.90	48.57	44.40	44.40

1. Including Capital-Work-in-Progress and Pre-operative Expenditure pending Capitalisation.
2. Including Rs. 240.12 Lacs as Fixed Deposits with Scheduled Banks as at 31.03.99

Jamna Auto Industries Limited Notice

NOTICE is hereby given that the THIRTYTHIRD ANNUAL GENERAL MEETING OF JAMNA AUTO INDUSTRIES LIMITED will be held at the Registered Office of the Company at Jai Springs Road, Yamuna Nagar - 135001(Haryana) on Wednesday the 29th September, 1999 at 3.00 p.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1999 and the Profit & Loss Account for year ended on that date and the Reports of the Board of Directors and of the Company's Auditors.
2. To appoint a Director in place of Shri Prem Saigal, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT M/s. Goel Garg & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting."

"RESOLVED FURTHER THAT M/s. Goel Garg & Co. Chartered Accountants be paid such remuneration in addition to the reimbursement of travelling and other out of pocket expenses incurred by them for the purpose of audit, as may be decided by the Board of Directors, who be and is hereby authorised to fix the same."

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

"RESOLVED THAT M/s. G.S. Johar & Co., Chartered Accountants be and are hereby reappointed as joint auditors of the Company to hold office together with M/s. Goel Garg & Co., Chartered Accountants, from the conclusion of this meeting, until the conclusion of next Annual General Meeting.

"RESOLVED FURTHER THAT M/s. G.S. Johar & Co., Chartered Accountants be paid such remuneration in addition to the reimbursement of travelling and other out of pocket expenses incurred by them for the purpose of audit, as may be decided by the Board of Directors who be and is hereby authorised to fix the same."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. Members/Proxies are requested to deposit the enclosed attendance slip duly filled in and signed for attending the Meeting.
3. Members who require any further information as regards accounts are requested to write to the company at an early date, so as to enable the management to keep the information ready.
4. Please bring your copy of the Annual Report to the Meeting.
5. Members holding shares in the same name under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company for the needful.

New Delhi
SEPTEMBER 4TH, 1999

By order of the Board of Directors
FOR JAMNA AUTO INDUSTRIES LIMITED
(RANDEEP SINGH JAUHAR)
Whole-Time Director

Directors' Report

TO THE MEMBERS OF JAMNA AUTO INDUSTRIES LIMITED

Your Directors present their Report & Accounts for the Financial Year ended 31st March 1999.

FINANCIAL RESULTS

	1998-99 (Rs. Lacs)	1997-98 (Rs. Lacs)
Sales & other Income	9681.09	9154.99
Gross Profit (PBDIT)	2105.60	1671.81
Financial Charges	1264.16	1001.21
Cash Profit before Tax	841.44	670.66
Depreciation	397.42	352.17
Profit before tax	444.02	318.49
Provision for tax	48.00	32.60
Net Profit After Tax	396.02	285.89
Add: Profit brought forward from previous year	241.36	51.99
	637.38	337.88
Less : Previous Year Expenses	23.86	13.19
Available Surplus	613.52	324.69

PERFORMANCE OF THE COMPANY

The financial results for the year 98-99 reflect the interplay of two major factors. Firstly the domestic recession in the HCV/MCV segment of the automobile Sector continued to affect the business of your company. Secondly with a view to position itself as a global springs source your company divested its domestic stabilizer bar business with effect from 1st January, 1999 and emerged stronger globally by successfully completing its first year of leaf springs export to General Motors Corporation, USA. Infact the export business helped your company partially offset the domestic recessionary impact.

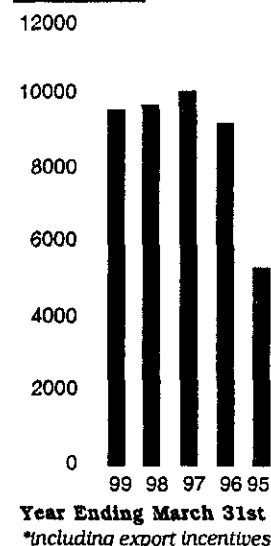
The fall in profit margins is largely due to recession driven price reductions extended to the customers, high cost imported inputs in respect of exports business and finance costs of the investments therein charged to the revenue account; 98-99 being the first complete year of exports to GM.

EXPORTS

Your company achieved an all time high exports of Rs. 1818 lacs and became an OE supplier to GM. With this priveleged status your company is now looking ahead in the Global Market with confidence and optimism. The directors wish to place on record their sincere appreciation for the valuable financial and advisory assistance granted by Exim Bank of India and the bankers of the Company in wholeheartedly supporting its export business.

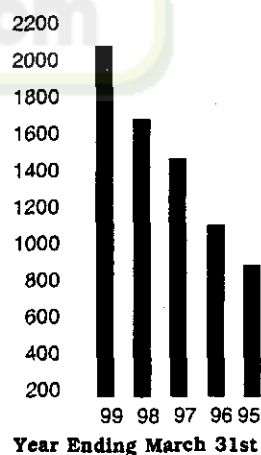
SALES*

(Rs. in Lacs)



GROSS PROFIT (PBDIT)

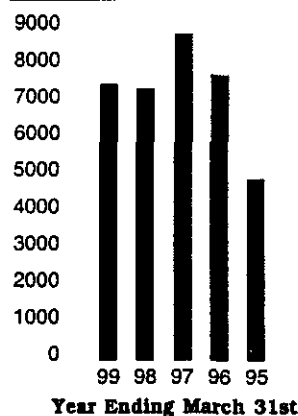
(Rs. in Lacs)



Directors' Report

SPRINGS

(Sales in Rs. Lacs)



AVAILABLE SURPLUS TO BE APPROPRIATED AS UNDER

	1998-99 (Rs. in Lacs)	1997-98 (Rs. in Lacs)
Proposed Dividend	0.00	0.00
Debenture Redemption Reserve	83.33	83.33
General Reserve	0.00	0.00
Balance in P&L A/c	530.19	241.36
TOTAL	613.52	324.69

Your directors are not recommending any dividend as a prudent financial measure.

PRODUCT PERFORMANCES

The leaf springs sales during 1998-99 stood at Rs. 7375.58 lacs as against Rs. 7356.91 lacs in the previous year. The stabilizer bar sales of Rs. 1102.92 lacs pertain to the period of 9 months ending on 31st December, 1998 as the stabilizer bar business was divested with effect from 1st January, 1999. In the leaf springs business your company has grown stronger in the exports and replacement market segments while maintaining its leadership in the domestic OE segment.

TOTAL QUALITY MANAGEMENT

Your Company continues to maintain ISO 9002 & QS 9000 status and undergoes periodic Quality Systems review & audit by designated QS auditors in order to ensure the same.

DIVESTMENT OF STABILIZER BAR BUSINESS

In accordance with the approval of shareholders your company divested its stabilizer bar business with effect from 1st January, 99 to a joint venture company i.e. Jamna NHK Allevard suspension components Limited (JANA) for a consideration of Rs. 23 crores. As is evident from the attached cashflow forming part of the annual report, the said consideration was mainly utilised by your company towards debt reduction and duly approved investments to acquire a 15% equity stake in the Joint Venture.

BUSINESS PROSPECTS

The current business scene in the Indian Automobile Sector indicates a retreat of the recession and your company is already servicing the enhanced orders placed by the MCV/HCV segments of the automobile sector. Further your company is now also aggressively forging ahead in the replacement market and exports segments and is now already a recognised Global player.

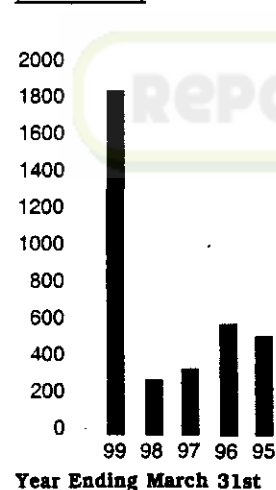
Your Company is therefore looking forward to the turn of the century with confidence having already re-structured towards its core business of leaf springs with a technologically strong manufacturing facility and a well established presence in all markets segments viz. Domestic OE's, Replacement market and the exports.

INDUSTRIAL RELATIONS

Your company continued to have peaceful and healthy industrial relations during the year.

EXPORTS

(Rs. in Lacs)



Directors' Report

PERSONNEL

The particulars of employees as per section 217(2A) of the Companies Act, 1956 are set out in the statement annexed hereto and forms part of this report.

DIRECTORS

Mr. K. Sasaki, General Manager of NHK has been nominated by NHK on the Board of Directors of your Company in place of Mr. K. Ikeda. While welcoming Mr. Sasaki on the Board, your Directors wish to place on record their appreciation for the valuable advice and services rendered by Mr. K. Ikeda during his tenure on the board.

AUDITORS

M/s. Goel Garg & Co. Auditors and M/s. G.S. Johar & Co. Joint Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

The report of the Auditors is attached and does not require any elaboration in view of the adequate presentations of accounts read with Accounting Policies and Notes to Accounts.

FIXED DEPOSITS

Eighty Six deposits aggregating to Rs. 19.62 lacs matured, but were not claimed as on March 31, 1999. Subsequently, out of the above, thirty eight deposits aggregating to Rs. 6.46 lacs have been repaid or renewed till 30th June, 1999.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Captioned information pursuant to Section 217(1) (e) of the Companies Act, 1956 is annexed hereto and forms part of this report.

Y2K COMPLIANCE

Your company has initiated steps towards Year 2000 (Y2K) readiness. In this context a contract has been awarded to a firm of IT Consultants to address all the relevant issues. A contingency plan to minimise any disruption risk is also being drawn. The cost involved is estimated to be Rs. 3 lacs.

ACKNOWLEDGEMENTS

The directors wish to acknowledge employee contributions at all levels and support lent to your company by its customers investors depositors, dealers, suppliers, bankers, financial institutions and the Central and State Governments.

The directors also place on record their sincere gratitude for the valuable technical and financial assistance granted by your company's foreign collaborators. M/s. NHK Springs Co. Ltd., Japan.

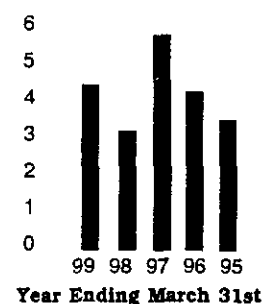
For and on behalf of the Board of Directors
(BHUPINDER SINGH JAUHAR)

4th September, 1999

CHAIRMAN

EARNING PER SHARE

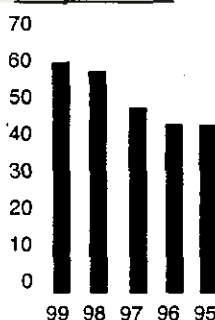
(Rs.)



Year Ending March 31st

NET WORTH

(Rs. per Share)



Year Ending March 31st