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# **39<sup>th</sup> Annual Report 2004-2005**



**JAMNA AUTO INDUSTRIES LIMITED**

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## Corporate Information



### BOARD OF DIRECTORS

Mr. Bhupinder Singh Jauhar, Chairman & Managing Director  
 Mr. Randeep Singh Jauhar, Whole Time Director  
 Mr. V. Prakash, Nominee ICICI Bank  
 Mr. A. Sharma, Nominee HSIDC  
 Mr. H. S. Gujral, Director  
 Mr. D. K. Sharma, Director

### AUDITORS

Goel Garg & Co.  
 Chartered Accountants

G. S. Johar & Co.  
 Chartered Accountants

### BANKERS

State Bank of India  
 Canara Bank  
 ICICI Bank Ltd.

### REGISTERED OFFICE

Jai Springs Road,  
 Yamuna Nagar - 135001  
 (Haryana) India

### CORPORATE OFFICE

2, Park Lane,  
 Kishangarh, Vasant Kunj,  
 New Delhi-110 070, India

### WORKS

Jai Springs Road,  
 Yamuna Nagar - 135001  
 (Haryana) India

U-27,29, Industrial Area,  
 Malanpur-477116  
 Distt. - Bhind (M.P.) India

### SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar - II  
 New Delhi - 110024, INDIA  
 Phone : 011 - 29847136, 29833777,  
 Fax : 011 - 29848352

### Annual General Meeting

9th September 2005 (Friday)  
 at 12.30 P.M. at  
 Registered Office:  
 Jai Springs Road  
 Yamuna Nagar - 135001  
 (Haryana) India

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## Results at a glance

(Rs. In Lacs)

Year ending 31st March	2005	2004	2003	2002	2001	2000
<b>Sales &amp; Earnings</b>						
Sales	20,954.02	12258.05	6595.38	7877.23	8385.62	9772.25
Other Income	107.91	29.59	48.95	190.92	295.76	354.94
	21061.94	12287.64	6644.33	8068.15	8681.38	10127.19
<b>Total Expenditure</b>	19,327.99	11110.92	6396.11	7621.27	8262.14	8673.84
<b>Gross Profit (PBDIT)</b>	1733.95	1176.72	248.22	446.88	419.24	1453.35
Interest	1,070.27	794.76	957.28	1392.82	1379.50	1260.50
<b>Profit/(Loss) before Depreciation</b>	663.68	381.96	-709.06	-945.94	-960.26	192.85
Depreciation	376.21	372.26	368.65	368.70	376.37	369.98
<b>Profit/(Loss) before Tax</b>	287.46	9.70	-1077.71	-1314.64	-1336.63	-177.13
Tax	0.50	0.60	0.77	0.77	1.61	1.67
Deferred Tax Credit	100.87	159.89	-326.33	-432.73	-	-
<b>Profit/ (Loss) After Tax</b>	186.09	-150.79	-752.15	-882.68	-1338.24	-178.80
<b>Cash Profit (Loss)</b>	663.18	381.36	-709.83	-946.71	-961.87	191.18
<b>What the Company Owned</b>						
Fixed Assets- Gross Block	8,816.38	8430.18	8353.54	8278.40	8554.41	8538.64
Less: Depreciation (Cummulative)	3,531.37	3162.40	2794.59	2465.58	2402.25	2035.48
Net Block	5285.01	5267.78	5558.95	5812.82	6152.16	6503.16
Investments	1,208.48	1208.48	1208.48	1208.48	1236.58	1236.58
Current Assets	7,122.22	4765.64	3940.46	4936.56	5511.65	6570.81
Deffered Tax Credit	437.31	538.18	698.07	371.74	-	-
	14053.02	11780.08	11405.96	12329.60	12900.39	14310.55
<b>What the Company Owed</b>						
Long Term Funds	6,723.05	6173.86	5893.91	5167.48	4130.33	3716.28
Medium/ Short Term Funds	823.54	833.96	674.87	591.03	747.53	599.98
Working Capital From Banks	1,844.73	1020.59	985.07	2071.39	3143.87	3237.10
Current Liabilities & Provisions	4,026.18	3158.07	2983.83	2799.30	1878.07	2089.50
	13417.50	11186.48	10537.68	10629.20	9899.80	9642.86
<b>Net Worth of the Company</b>						
Equity Share Capital	876.11	876.11	876.11	876.11	876.11	876.11
Reserves & Surplus	740.75	698.83	973.51	1832.63	3105.82	4670.33
Less: Intengibles (-)	981.34	981.34	981.34	981.34	981.34	878.75
	635.52	593.60	868.28	1727.40	3000.59	4667.69
<b>Share Indices</b>						
Cash Earnings/ (Loss) per share (Rs.)	7.58	4.36	-8.11	-10.82	-10.99	2.18
Earning Per Share (Rs.)	2.13	-1.72	-8.59	-10.09	-15.29	-2.04
Dividend per share (Rs.)	NIL	NIL	NIL	NIL	NIL	NIL
Net Worth Per Share (Rs.)	7.26	6.78	9.92	19.74	34.29	53.33

## Notice



**NOTICE** is hereby given that the 39th Annual General Meeting of the members of the Company will be held on Friday the 9th day of September, 2005 at 12:30 P.M. at the Registered office of the Company at Jai Springs Road, Industrial Area, Yamuna Nagar - 135 001 (Haryana) to transact the following businesses:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2005 and Profit & Loss Account of the Company for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. H. S. Gujral, who retires by rotation and being eligible, offers himself for re-appointment.
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 re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors or Committee thereof exclusive of travelling and other out-of-pocket expenses."

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 re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors or Committee thereof exclusive of travelling and other out-of-pocket expenses."

### AS SPECIAL BUSINESS:

#### ITEM NO. 5

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

**"RESOLVED THAT** the Authorised Share Capital of the Company of Rs. 20,00,00,000/= (Rupees Twenty Crore) divided into 1,50,00,000/= (One Crore Fifty Lac) Equity Shares of Rs. 10 (Ten) and 5,00,000 (Five Lac) Preference Shares of Rs. 100/- (hundred) each be and is hereby altered as follows:

- (i) Existing 5,00,000 (Five Lac) Preference Shares of Rs. 100/= (Hundred) each, be and are hereby cancelled and extinguished.
- (ii) 50,00,000/= (Fifty Lac) Equity Shares of Rs. 10 (Ten) each, be and is hereby created.

subject to the condition that unless otherwise determined at the time of issue the new Equity Shares shall rank pari passu in all respect with the existing Equity Shares of the Company."

**RESOLVED FURTHER THAT** the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

- V. The Authorised Share Capital of the Company is Rs. 20,00,00,000/= (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10 (Ten) each with power to extinguish, subdivide, consolidate, increase or decrease and upon subdivision of the shares to apportion the right to participate in profits, in any manner and between the shares resulting from the subdivision and with power to the Board of Directors ("the Board") to issue equity shares with or without voting rights and with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

#### ITEM NO. 6:

To consider and if thought fit, to pass the following resolution, with or without modification as special resolution:

**"RESOLVED THAT** the existing clause 5 of the Articles of Association of the Company be and is hereby substituted by the following:

- V. The Authorised Share Capital of the Company is Rs. 20,00,00,000/= (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10 (Ten) each with power to extinguish, subdivide, consolidate, increase or decrease and upon subdivision of the shares to apportion the right to participate in profits, in any manner and between the shares resulting from the subdivision and with power to the Board of Directors ("the Board") to issue equity shares with or without voting rights and with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified



or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Associations of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

#### ITEM NO. 7:

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

**"RESOLVED THAT** subject to approval of the Central Government, the Securities and Exchange Board of India and other appropriate authority, if any, consent of the members of the Company, be and is hereby granted to make the office of director of Mr. Bhupinder Singh Jauhar liable to determination by retirement of Directors by rotation under Section 255 and 256 of the Companies Act, 1956 w.e.f. 28.01.2005."

#### ITEM NO. 8:

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

**"RESOLVED THAT** subject to approval of the Central Government, the Securities and Exchange Board of India and other appropriate authority, if any, consent of the members of the Company, be and is hereby granted to make the office of director of Mr. Randeep Singh Jauhar liable to determination by retirement of Directors by rotation under Section 255 and 256 of the Companies Act, 1956 w.e.f. 28.01.2005."

#### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. The register of Members of the Company and Share Transfer Books remained closed from Thursday the 21st July 2005 to Monday the 25th July 2005 (both days inclusive).
3. Shareholders seeking information with regard to accounts are requested to write to the Company at least ten days in advance as to enable the Company to keep the information ready.
4. Members/Proxies are requested to bring their copy of the Annual Report to the meeting, as copies of the Report will not be distributed at the meeting.
5. Members are requested to advise the Company immediately of any change in their address.

By order of the Board of Directors  
of Jamna Auto Industries Limited

Place : New Delhi  
Date : 29th July 2005

(S. R. Singh)  
Company Secretary

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1) OF THE COMPANIES ACT, 1956 :

##### ITEM NO. 5 & 6:

The scheme of arrangement between the Company and its secured creditors which is pending before the Hon'ble High Court of Punjab & Haryana envisage that promoters & associates are required to infused Rs 895.00 lacs in the form of equity shares. The present authorized capital of the Company is Rs. 20.00 crores divided in to 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs. 10/-(ten) each and 5,00,000 lacs preference shares of Rs. 100/- (Hundred) each. In order to issue & allot shares to promoters & associates in terms of restructuring package it is proposed to alter authorized capital of the Company by extinguishing & cancelling 5,00,000 preference shares of Rs. 100/- each and creation of 50,00,000 equity shares of Rs. 10/- each.

Directors recommend the resolution for your approval.

None of the Directors are interested or concerned except Mr. B. S. Jauhar and Mr. R. S. Jauhar in their capacity of promoters of the Company.

##### ITEM NO. 7 & 8:

In order to keep the composition of the Board of Directors of the Company as per the Statutory Requirements it is proposed to make the period of office of directorship of Mr. Bhupinder Singh Jauhar and Mr. Randeep Singh Jauhar liable to determination by retirement of Directors by rotation under Section 255 and 256 of the Companies Act, 1956.

Directors recommend the resolution for your approval.

None of the Directors are interested or concerned except Mr. B. S. Jauhar and Mr. R. S. Jauhar.

## Management Discussion and Analysis



### Overview:

The year 2004-05 has witnessed strong economic growth in the global market. India recorded a 6.9 percent GDP Growth in year 2004-05 on the back of an impressive 8.5% growth in year 2003-04. Improved growth of the global as well as Indian economy translated into higher demand for Automobiles & Auto Components. The JAI was well positioned to leverage this strong demand, both in India as well as in international market. The internal challenge was to service this demand and counter the increase in prices of a key input i.e. steel. The Company's success in these areas is reflected in strong growth in sales, as well as profit during 2004-05. The highlights of the financial performance of the Company are:

- \* The Company has achieved all time high turnover of Rs. 20954 lacs.
- \* Export increased from Rs.131 lacs in previous year to Rs.1313 lacs in current year.
- \* The company has achieved Net profit of Rs. 186 lacs against net loss of Rs. 150 lacs in previous year.

### Industry Structure and Developments:

The automobile industry is an important segment of the economy and the fortunes of the automotive components sector are closely linked to performance of automobile sector. The automotive component industry manufactures components under six broad categories as per ACMA. Company's product falls under Suspension & Barking Parts which also includes brake assemblies, linings and shock absorbers.

The automotive ancillary industry caters to three broad categories of the market :

- \* Automobile Manufacturers which comprises of approximately 25% total demand.
- \* Replacement market which comprises approximately 65% of the total demand.
- \* Export Market which comprises approximately 10% of total demand.

The Indian Auto Component Industry is on the threshold of a growth cycle, the industry registered a growth of around 16% in number in year 2004-2005 for all segments. Commercial Vehicle segment also performed well with a growth of approximate 22.97 per cent. The industry expects this growth to remain continue in coming years. Better quality at competitive prices has resulted growing exports of components. The total production of HCVs and MCVs increased by approximately 27 % with a total increase of 20% in over all motor vehicle segment during the year 2004-05 as shown herein below:

	2004-05	2003-04
M & HCVs	211,143	166,123
LCVs	138,890	108,917
UCVs	181,778	146325
Cars	960,505	782,562

### SWOT Analysis :

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>* Original equipment supplier to major automobile companies in domestic &amp; export market.</li> <li>* Technology.</li> <li>* Better quality at low price.</li> <li>* Trained &amp; skilled workforce.</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>* Capacity constraints.</li> <li>* Sale of company product is depend on the growth of commercial vehicle market.</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>* India emerging as global outsourcing source.</li> <li>* Booming domestic Automobile Industry.</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>* Competition with China auto component industry.</li> <li>* Total dependence upon Automobile Industry.</li> </ul>

### Risk & Concerns :

The fortune of the automotive components industry depend upon the performance of automobile industry. Demand swing in any of the segments of automotive industry particularly in Commercial Vehicle demand have an impact on auto ancillary demand.

### Internal control systems and their adequacy:

Internal control measures and systems are established to ensure the correctness of the transactions and safeguarding of the assets. Internal Audit includes system audit, management audit and financial audit. The control systems set on place are checked & further supplemented by budgeting and MIS which provide for planned expenditure and information on disposal and acquisition of assets.

### Human Resources:

Company considers Human Resource as valuable assets. The company provides a learning and initiative working environment and encourage excellence in performance. The total number of employees of the Company as on 31st March 2005 was approximately 550.

### Disclaimer:

Statements in the Management Discussion and Analysis describing objectives, projections, estimates and expectations of the Company may be forward looking statements within the applicable laws and regulation. Actual results may differ or vary from those expressed or implied depending upon prevailing economic conditions, government policies and other factors.

## Directors' Report



### TO THE MEMBERS OF JAMNA AUTO INDUSTRIES LIMITED

Your Directors have pleasure in presenting their 39th Report on the business and operations of the Company and the Accounts for the financial year ended 31st March 2005.

Financial :

(Rs.in lacs)

Particulars	Year Ended	
	March 31, 2005	March 31, 2004
Gross Sales	20954	12258
Other Income	107	30
Gross Operating Profit/(loss)	1733	1176
Financial Expenses	1070	794
Cash Profit before tax	663	381
Depreciation & Write Offs	376	372
Profit/(Loss) before taxation	287	9
Provision for taxation	0.50	0.60
Deferred tax credit	100	159
Profit/(Loss) after taxation	186	(150)
Add: Profit / (Loss) b/f from previous year	(3910)	(3635)
	(3724)	(3786)
Less: Previous year Expenses	(144)	(123)
	(3868)	(3910)
Less: Taxation Adjustment for previous years	0.00	0.00
Available Surplus/(deficit)	(3868)	(3910)

### B) TURNOVER:

In the background of continuing growth of the global as well as Indian economy and sustained demand for Automobiles & Auto Components the company has achieved all time high turnover of Rs. 20954 lacs during the previous year. The internal challenge was to service this demand and counter the increase in prices of a key input i.e. steel. The Company's success in these area is reflected in strong growth in sales, as well as profit during the year under review. The company is further well positioned to leverage this strong demand, both in India as well as in international market.

### DOMESTIC SALES:

	Current Year (Rs. in lacs)	Previous Year (Rs in lacs)
Malanpur Unit	14331	10454
Yamunanagar Unit	5310	1673
Total	19641	12127

### EXPORT SALES :

	Current Year (Rs. in lacs)	Previous Year (Rs in lacs)
Malanpur Unit	1174	66
Yamunanagar Unit	139	65
Total	1313	131

### C) RESTRUCTURING SCHEME:

During the year under review, the Scheme of Arrangement proposed by the company with Secured Lenders was modified to incorporate the effect of settlement scheme approved by Corporate Debt Restructuring (CDR) Cell. The modified Scheme of arrangement is pending before the Hon'ble High Court of Punjab & Haryana for approval.



## Directors' Report



### 2. DIVIDEND:

Though the Company earned a net profit of Rs 186.09 lacs, the accumulated losses are still not being set off and therefore your directors do not recommend any dividend.

### 3. QUALITY MANAGEMENT:

The Company is committed to provide best quality product to its customers. During the year under review Malanpur unit of your company continued to maintain QS -9000 certification for manufacture of leaf springs for the Automotive Industry.

### 4. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. H. S. Gujral, director of the Company, retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

### 5. ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE :

The particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 are set out in the Annexure 'A' and form an integral part of this report.

### 6. FIXED DEPOSITS :

The Company has not accepted or renewed any Fixed Deposit during the year under review. However there are un-claimed and unpaid fixed deposit of Rs. 8.82 lacs as on 31st March 2005.

### 7. PARTICULARS OF EMPLOYEES:

There is no employee drawing remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975.

### 8. AUDITORS:

M/s Goel Garg & Co., Chartered Accountants and M/s G. S. Johar & Co., Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. The report of the Auditors read with the notes on accounts being self explanatory needs no further clarification.

### 9. REPORT ON CORPORATE GOVERNANCE :

Report on Corporate Governance as per the requirements of the Listing Agreement with the Stock Exchange is enclosed as Annexure 'B' and forms part of this report.

### 10. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 271 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departure from the same have been made;
- They have selected such accounting policies and applied them consistently and made judgements 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;
- They have 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.
- They have prepared the Accounts on a going concern basis.

### 11. APPRECIATION :

Your Directors acknowledge with gratitude, the support extend and confident shown by Bankers, Financial Institutions, Lenders, Government and by NHK Spring Co. Limited, Japan. The Directors also place on record their appreciation for the contributions made by the employees at all level.

For and on behalf of the Board

Place : New Delhi  
Date : 29.07.2005

(B. S. JAUHAR)  
Chairman



## Directors' Report



### ANNEXURE "A" TO THE DIRECTORS' REPORT

Disclosure of Particulars with respect to conservation of energy, technology absorption and foreign exchange outgo and earning as required under Companies {Disclosure of Particulars in the Report of Board of Director(s)} Rules, 1988.

#### A. CONSERVATION OF ENERGY

##### 1. Measures taken for conservation of Energy.

- 1.1 The Company has successfully switched over to alternative fuel in place of LDO.
- 1.2 Cost awareness and training on productivity concepts brought in immense enthusiasm at worker level to save energy and reduce variation in product quality.
- 1.3 Productivity and Efficiency concept introduced at all stages of shop floor for improving productivity and saving of power cost.
- 1.4 Company is working to reduce wastage and increase productivity.

##### 2. Additional Investments and proposal for energy conservation

- 2.1 Company's belief in saving energy on continued basis remains still on the agenda of the top management.
- 2.2 As a QS 9000 objective of wastage elimination and defect prevention, mistake, proofing at process like riveting have helped in reducing waste & rework. Additional opportunities for remake mistake proofing are being identified.
- 2.3 Roles of cross functional teams on inventory optimization and relay - outing to have straight material flow will further reduce the use of forklift in plant.

##### 3. Impact of above measures at 1 above for reduction of energy conservation and consequent impact on the cost of goods.

- 3.1 The company has been able to improve process capability.
- 3.2 More & more parameters are being covered under SPC as a part of QS 9000 activity.

#### B. RESEARCH & DEVELOPMENT

##### 1. Specific Areas in which R&D is carried out by the Company.

- 1.1 Change over from Conventional springs to parabolic springs.
- 1.2 Redesign of VE Springs.

##### 2. Benefits derived as a result of R&D.

- 2.1 Parabolic Springs lead to weight/ fuel saving.
- 2.2 Increase in realization with implementation of parabolic & VE designs.
- 2.3 Stronger customer base as a result of introduction of parabolic /VE springs.

##### 3. Future Plan of Action.

- 3.1 Design of long parabolic springs for buses.

##### 4. Expenditure on R&D(Rs Lacs)

i)	Capital/Deferred Revenue	Nil
ii)	Recurring	Nil
iii)	Total	Nil
iv)	Total R&D expenditure as percentage of Total Turnover	Nil %

#### C. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

##### 1. Technology Absorption, adaptation and innovation.

- 1.1 Technology imported from NHK for manufacture of springs has already been absorbed.

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

- 2.1 The company's Malanpur Unit enjoys the QS 9000 certification for the last four years.
- 2.2 Employee morale has increased in leaps & bounds and their involvement in productivity improvement and cost savings is creditable.
- 2.3 Very little variation in major processes leading to high process capability indices.

##### 3. Technology imported (For the manufacture of Leaf Springs)

- i) Year of import (1985-90)
- ii) Has technology been fully absorbed. - As reported the technology has been fully absorbed.

#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earning and outgo follow as under :-

	(Rs. in lacs)
(i) Foreign earnings on FOB	Rs. 1294.12
(ii) Foreign exchange Outgo	---
Repairs to Plant and Machinery	---
Overseas Travelling	26.05
Value of Imports on CIF basis	---
Books and Periodicals	---