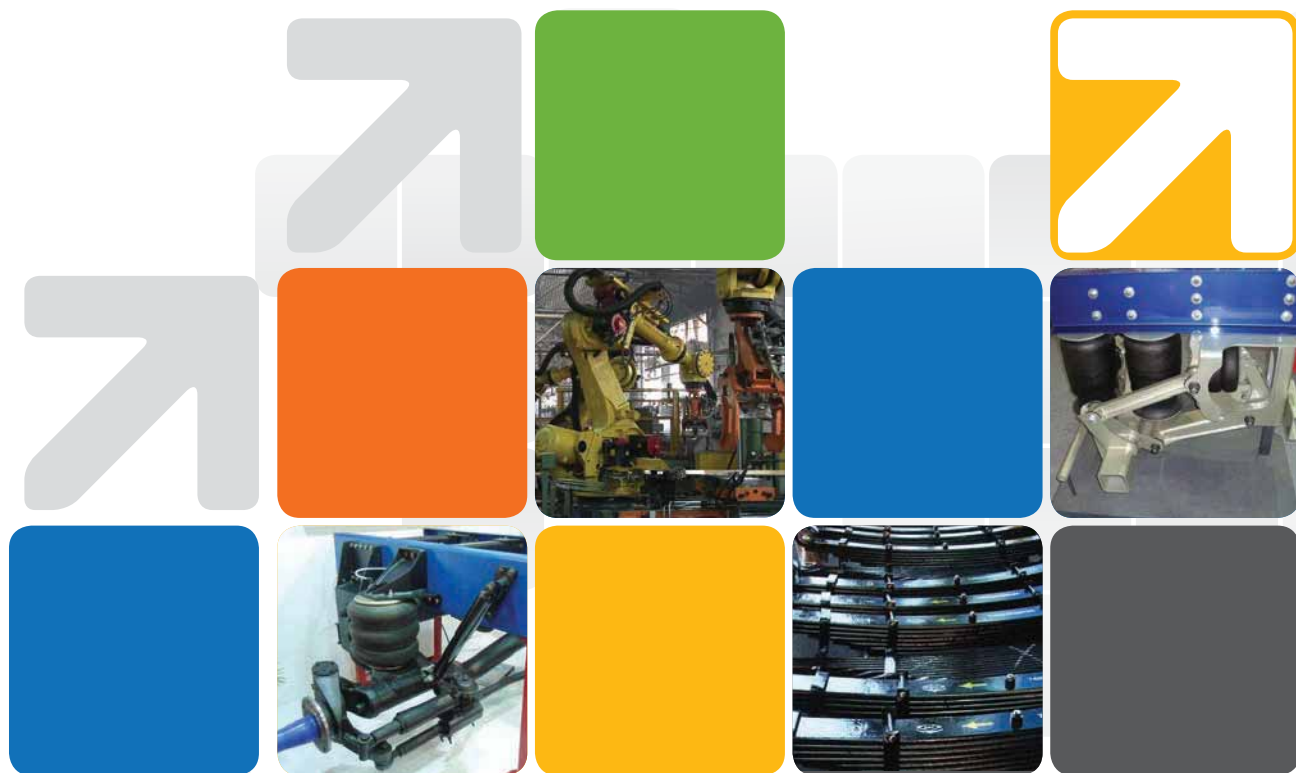




Jamna Auto Industries Limited



DRIVING
STRATEGIC GROWTH
through technology & innovation



Annual Report 2012-13

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JAMNA AUTO INDUSTRIES LIMITED

is India's largest, and the world's second-largest, manufacturer of tapered leaf springs and parabolic springs for automobiles.

Our vision is to become a global leader in Automobile Suspension Solutions. During the year we have diversified our range by adding Lift Axle and Air Suspension products.

ABOUT
US



Our strong relationship with customers allows us to anticipate their evolving needs and provide integrated solutions. While we remain focused on being the customer's supplier and partner of choice, we also remain focused on profitably growing our business, expanding our product offerings and markets served, strengthening our Balance-Sheet and positioning the Company for future growth in revenues and profitability.

We continue to leverage upon our strategically located multi-unit manufacturing and assembly facilities, our engineering and technological excellence and our relentless pursuit of efficiency and innovation. We remain highly flexible and responsive to change and continue to invest prudently to strengthen our competitive advantage and support our growth ambitions.

We are well positioned to capitalize on the emerging opportunities in the industry and will pursue growth strategies consistent with our commitment to create value on a sustainable basis.

CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. Bhupinder Singh Jauhar
Chairman

Mr. Randeep Singh Jauhar
CEO & Executive Director

Mr. Pradeep Singh Jauhar
COO & Executive Director

Mr. Hardeep Singh Gujral
Executive Director

Dr. Pierre Jean Everaert
Nominee - Clearwater Capital Partners
(Cyprus) Ltd

Mr. Karthik Athreya
(Alternate Director to Dr. Pierre Jean Everaert)

Mr. V. Subramanian
Nominee-IFCI Limited

Mr. Jainender Kumar Jain
Director

Mr. Chander Kailash Vohra
Director

Mr. Uma Kant Singhal
Director

Seth Ashok Kumar
Director

Mr. Shashi Bansal
Director

MANAGEMENT TEAM

Mr. Randeep Singh Jauhar
CEO & Executive Director

Mr. Pradeep Singh Jauhar
COO & Executive Director

Mr. Hardeep Singh Gujral
Executive Director

Mr. Kanwal Kishore Vij
President-Operations

Mr. Vivek Bhatia
Associate President (Finance & Legal) & CFO

Mr. Sunil Laroia
Vice President - International Business and
Head (R&D)

Mr. Madhukar Sharma
Global Head (After Market)





LEGAL ADVISORS

AZB & Partners
Lakshmikumaran & Sridharan

TECHNICAL ASSISTANCE

Ridewell Corporation, USA

BANKERS

State Bank of India
ICICI Bank Ltd
Kotak Mahindra Bank
Standard Chartered Bank
IndusInd Bank Ltd
Lakshmi Vilas Bank

AUDITORS

B S R & Co.

Chartered Accountants

SHARE REGISTRAR & TRANSFER AGENT (RTA)

Skyline Financial Services (P) Ltd
D - 153 A, First Floor, Okhla Industrial
Area, Phase-I, New Delhi-110020
Ph. 011-26812682, 26812683
Fax 011-26292681
Email: grievances@skylinerta.com

INVESTOR CELL

Mr. Praveen Lakhera
Company Secretary & Head-Legal
praveen@jaispring.com

CORPORATE OFFICE

2, Park Lane, Kishangarh, Vasant Kunj,
New Delhi-110070
Ph. 011-26893331, 26896960
Fax 011-26893180, 26893192

PLANTS

- i) Jai Springs Road, Industrial Area,
Yamuna Nagar-135001, Haryana
- ii) U - 27-29, Industrial Area,
Malanpur, District Bhind-477116,
M.P.
- iii) Plot no. 22-25, Sengundram
Village, Maraimalainagar Industrial
Complex, Singaperumal Koil Post,
District Kanchipuram-603204,
Tamil Nadu
- iv) 262-263, Village Karnidih,
Chandil, District Saraikella,
Kharswan-832401,
Jharkhand
- v) Gata no. 1490, Khajoor Gaon,
Chinhat-Deva Road, District
Barabanki-225003, U.P.
- vi) Thally Road, Kalugondapalli Post,
Hosur, District Krishnagiri-635114,
Tamil Nadu

UNDER SUBSIDIARY ENTITY

- vii) **JAI SUSPENSION SYSTEMS LLP**
Plot no. 50A, Sector-11, I.I.E., Pant
Nagar, District Udham Singh Nagar,
Uttarakhand

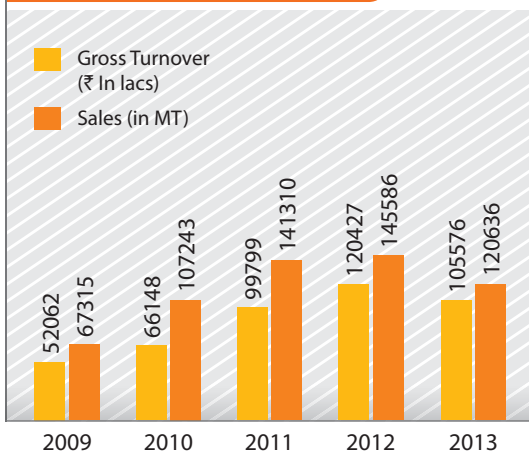
REGISTERED OFFICE

Jai Springs Road, Industrial Area,
Yamuna Nagar-135001, Haryana
Ph. 01732-251810/11/14

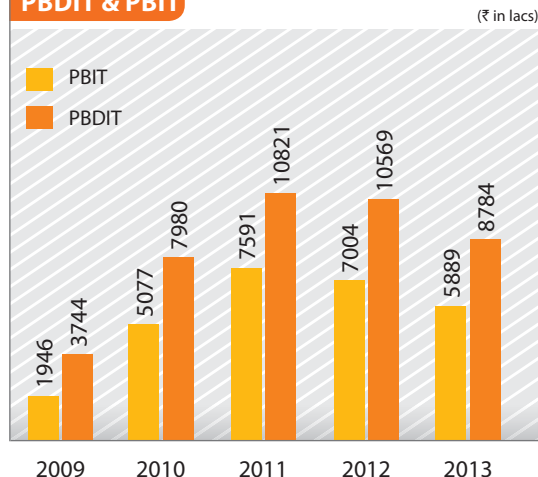
FINANCIAL HIGHLIGHTS



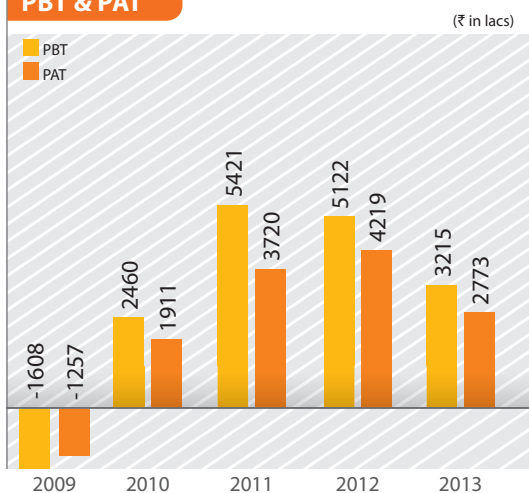
GROSS TURNOVER & SALES



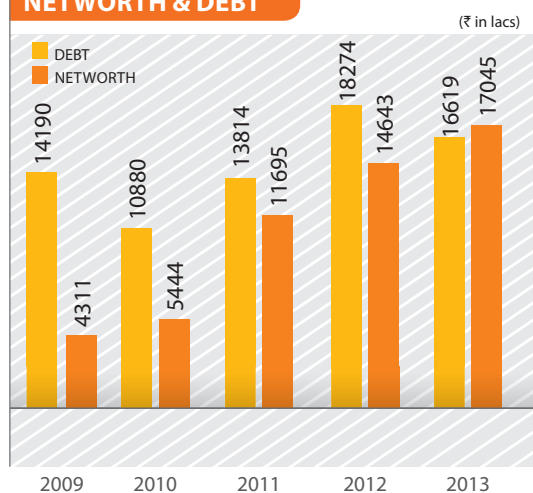
PBDIT & PBIT



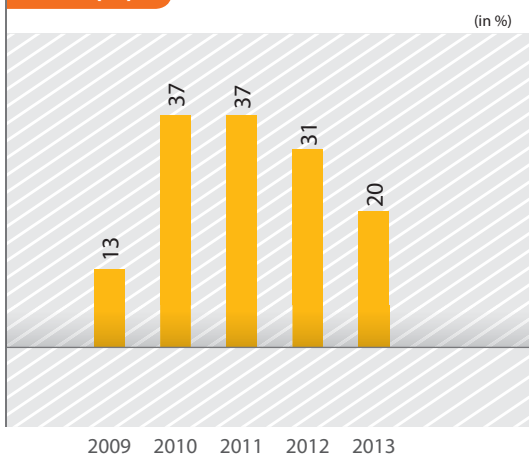
PBT & PAT



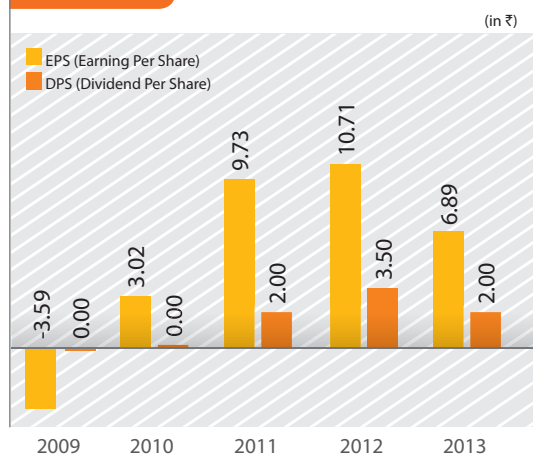
NETWORTH & DEBT



ROCE (%)



EPS & DPS



MILESTONES



**FY
2009**

1. Started Assembly unit at Uttarakhand (under subsidiary)
2. In house R&D centre set up at Malanpur

**FY
2010**

1. Tata Motors Ltd converted its two high selling models into parabolic springs
2. Entered into technical assistance agreement with Ridewell Corporation USA for Air Suspension and Lift Axle
3. Received the Best Vendor Gold Award from Ashok Leyland Ltd for 2009-2010
4. Received an award from Tata Motors Ltd in recognition of JAI's long and enduring relationship
5. Purchased land in Chennai for setting up facility for air suspension and lift axle

**FY
2011**

1. Promoters and Clearwater Capital Partners infused fresh equity, prepayment of term loans brought down debt
2. Shares of the Company listed in NSE
3. Started paying Dividend
4. Jamshedpur plant commenced manufacturing operations
5. Started Assembly unit at Lucknow
6. Filed patent application in India for Air Suspension
7. Supplies to UD Trucks Corporation, Japan (Volvo subsidiary), Mahindra Navistar Automotives Ltd and Ashok Leyland Nissan Vehicles Ltd started
8. Acquired land in Hosur for setting up facility for manufacturing of springs

**FY
2012**

1. Agreement to supply Lift Axle signed with Ashok Leyland Ltd.
2. Started developing springs for Bharat Benz
3. Purchased land in Pune for setting up facility for manufacturing of springs and additional land in Malanpur and Yamuna Nagar for expansion

**FY
2013**

1. Lift Axle and Air Suspension products launched
2. Received Silver Award from Ashok Leyland Ltd. for best in class performance in RAMP UP in development and supply of Lift Axles
3. Received Certificate of excellence award from TATA Motors Ltd. for supply of quality product and approach towards continual improvement in quality
4. Supplies to Bharat Benz and Renault Nisan commenced
5. Certificate of Appreciation - Best in Class Performance in Quality from Ashok Leyland Ltd. for the year 2012-13
6. Production commenced at Hosur plant
7. Capacity expansion at Malanpur completed

LETTER TO SHAREHOLDERS



Dear Shareholders,

To de-risk the company from OE concentration we aimed at developing new markets. As a result we increased our foot print in After Market India/Export with healthy growth of 44%. We aim to execute After Market orders within a period of 24 hours.



The year 2012-13 was a difficult year for the automobile industry. Weak macro factors and slow industrial growth badly affected Commercial Vehicles (CV) demand which eventually resulted in negative growth for the industry as compared to previous year. Segment wise, Light Commercial Vehicles (LCV) segment has maintained growth momentum with an increase of 14%, whereas Medium & Heavy Commercial Vehicles (M&HCV) segment has shrunk by a sharp 23% on year on year basis in 2012-13. As a result the total springs demand declined by 24% even though the LCV went up.

In spite of persisting slowdown, the Company gave a committed performance during the year under review, continued its dominance in the domestic market in automotive tapered leaf springs and parabolic springs and further expanded the product portfolio by introducing lift axles and air suspension.

Your Company is a major player in CV industry having significant interest in M&HCV segment. Unlike past, wherein we were adversely affected by slow down in the Industry and in M&HCV segment perse, the loss due to slow down was partially compensated as a result of our OE de-concentration efforts during the year. We implemented our de-risking plans to tap new markets, expand product portfolio and locations. We took various initiatives to improve operational efficiencies and cost-cutting across all the plants to maintain the EBITDA level. The de-risking plans put in place have clearly showed results and substantially reduced the break even level of the Company. As compared to the recession during the year 2008-2009 when these plans were not in place, the Company had lost sale of 4% but incurred a net loss whereas during the FY 2012-2013 the Company lost sale of 12% and earned profit after tax of ₹28 crore. During 2012-13, our consolidated sales were ₹1,056 crore as compared to consolidated sales of

In order to achieve higher sales in After Market India/Export, three more hubs at Chennai, Nagpur and Jamshedpur have been established during the year in addition to the existing hub at Pant Nagar



₹1,204 crore in previous year. We have continued to generate cash profits and have recommended dividend of ₹2 per share. We stand committed to our financial and operational objectives as stated in our last year annual report but they might get delayed by a year in view of the slowdown.

The domestic CV industry is facing pressure from number of factors and overall demand for CVs is expected to be subdued in the current year as well. The overall near term outlook of the industry appears to be weak. In the medium term, demand for CVs will be mainly attributable to interest rates and investments in infrastructure. We may also see competition growing up in the tapered leaf and parabolic spring business in the coming years with entry of new tapered leaf springs manufacturers.

To de-risk the Company from OE concentration we aimed at developing new markets. As a result we increased our foot print in After Market India/Export with healthy growth of 44%. We aim to execute After Market orders within a period of 24 hours. We are focusing on creating logistic strengths to achieve this objective and opened three more hubs at Chennai, Nagpur and Jamshedpur during the year in addition to the existing hub at Pant Nagar. The new hubs have improved the Company's ability to reach customers across the country. The expansion plan at Malanpur (Madhya Pradesh) is complete which will complement growth in After Market India/Export, improve profitability and better sales mix. We are aiming at 33% turnover from the After Market India/Export, OE export and new products.

We are aiming to bring down the share of tapered leaf spring to 65% of sales. In line with that, we ramped up sales of value-added parabolic springs by 10% during 2012-13.

We have made significant progress in implementing our strategy

to expand product range and move up the value-chain. During 2012-13, the Company launched lift axles and air-suspension products. Supply of lift axles to Ashok Leyland Ltd has started and the Company bagged Silver award for best in class performance in RAMP UP in development and producing lift axles. Supply of air suspension to SML Isuzu Limited for low floor bus has also begun.

Jamshedpur plant of your Company received Certificate of Excellence Award from Tata Motors Limited for supply of quality product, and approach towards continual improvement in quality. Ashok Leyland Ltd. also awarded your Company Certificate of Appreciation - Best in Class Performance in Quality for the year 2012-13.

Looking ahead, we will continue to pursue de-risking plans and strive to reduce our break even point. We are confident of achieving our business and financial objectives. We have engaged high performing professionals with established track record in the field of manufacturing, operations, quality, finance, accounts, IT, human resource and after market at senior leadership levels to report and advice the CEO & COO on these matters. Potential Leaders Development Program has been launched to motivate high performing potential employees and to encourage them on taking next level leadership role.

Before I end, I would like to thank our employees who have made a significant contribution to our success. I would also like to thank our customers, collaborators, Bankers, FIs, suppliers, business partners and shareholders for their continued support and confidence in our Company.

Yours sincerely

Bhupinder Singh Jauhar
Chairman

OUR MANUFACTURING & ASSEMBLY FACILITIES

Seven manufacturing plants at Yamuna Nagar, Malanpur, Chennai, Jamshedpur, Lucknow, Hosur and Pant Nagar (under subsidiary entity).

New manufacturing facility for light and heavy tapered leaf and parabolic springs will come up in Pune Land.

Capacity expansion at Malanpur completed.

Lift axle and Air Suspension assembly has been started at the existing Chennai Unit of the company.



Jamshedpur Plant



Malanpur Plant