

16th Annual Report
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ACCESSING THE FUTURE

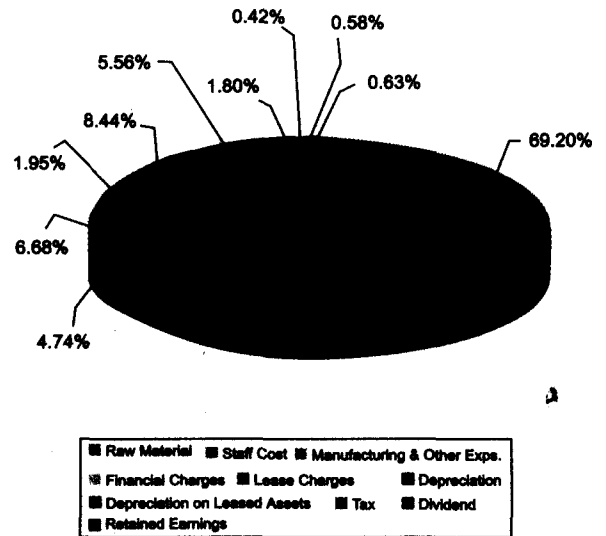
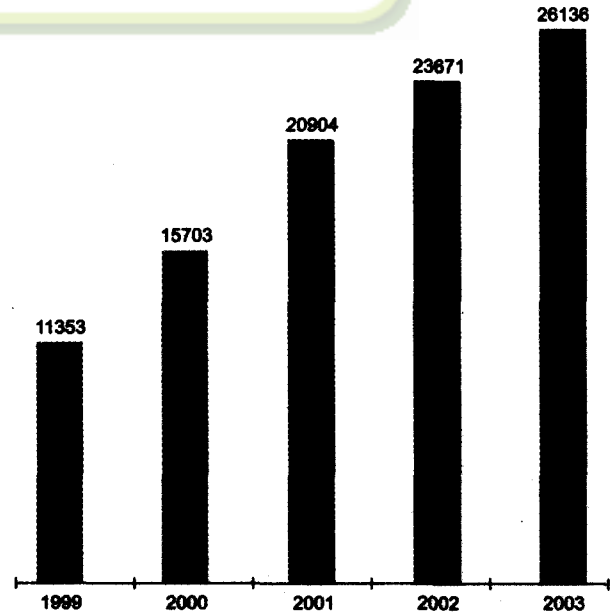
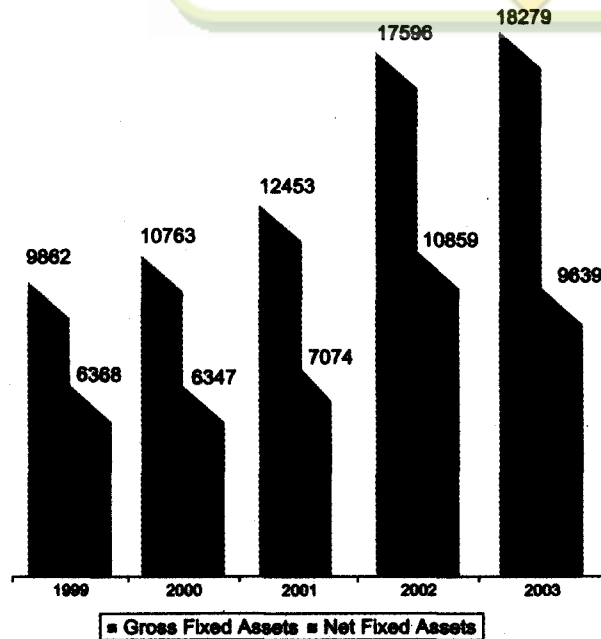


Jay Bharat Maruti Limited

Financial Highlights

(Rs. In Lacs)

Particulars	2003	2002
Total Income	31350	28172
PBT	425	314
PAT	336	194
Net Worth	2523	2358
Capital Employed	2533	2902
Debt/Equity Ratio	0.00	0.23
ROCE (%)	27.62	20.77
RONW (%)	13.77	7.00
EPS (Rs.)	6.21	3.58

DISTRIBUTION OF INCOME - 2003**FIXED ASSETS**
(Rs. In Lacs)**TOTAL INCOME (Net)**
(Rs. In Lacs)



JAY BHARAT MARUTI LIMITED

Registered Office: Neel House, Lado Sarai,
Opposite Qutab Minar, New Delhi - 110 030

NOTICE

NOTICE is hereby given that Sixteenth Annual General Meeting of the shareholders of Jay Bharat Maruti Limited will be held on Thursday, the 21st day of August 2003 at 11.00 a.m. at All Heavens Resorts, Khera Kurd, Delhi – 110 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 31st March 2003 and the Profit & Loss Account for the year ended 31st March 2003 and the Report of the Directors' and Auditors' thereon.
2. To declare the dividend, if any.
3. To appoint a Director in place of Mr. F.C. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. P. Arya, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 read with 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) and subject to approval of the Central Government, Mr. S. K. Arya, Director be and is hereby re-appointed as Managing Director of the Company U/s 269 of the Companies Act, 1956 for a period of five (5) years with effect from 10th June 2003 upon the terms and conditions as set out below

A. PERIOD OF RE-APPOINTMENT

The re-appointment of Mr. S. K. Arya as Managing Director is effective from 10th June 2003 for 5 years.

B. DETAILS OF REMUNERATION:

- a) **Basic Salary:** Rs. 1,50,000/- (rupees one lac fifty thousand) per month in the pay scale of Rs. 1,50,000 – 15,000 – 1,65,000 – 16,500 – 1,81,500.
- b) **Perquisites/Allowances:** the Managing Director shall be entitled to perquisites and allowances such as :
 - (a) i. The Company shall provide to Mr. S. K. Arya and his family either residential accommodation, expenditure on which shall not exceed 60% of his basic salary. In the event Mr. S. K. Arya is not provided residential accommodation, he shall be entitled to draw House Rent Allowance (HRA) at the rate of 60% of his basic salary. The Company will provide hard & soft furnishing at his residential accommodation for which the annual valuation shall be computed as per Income Tax Rules;
 - ii. Medical allowance/ reimbursement of actual medical expenses per annum incurred by the appointee and his family, not exceeding one-month salary;
 - iii. Leave travel expenses/ or allowance for appointee and his family once in a year incurred in accordance with any rules specified by the Company, not exceeding one-month salary;
 - iv. Other perquisites/allowances as stated below subject to a limit of 45% of the basic salary:
 - a. Services of servants/gardener/helpers etc. or allowance in lieu thereof;
 - b. House maintenance allowance together with reimbursement of expenses and/or allowances for gas, water & electricity and repairs;
 - c. Children education allowance;

JAY BHARAT MARUTI LTD.

- d. Personal accident insurance and medi-claim insurance;
 - e. Club fees or fee's reimbursement.
- (b) Apart from the above, the appointee shall also be entitled to the followings:
- i. Company's chauffeur driven car for the business of the Company;
 - ii. Free 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, Annuity Fund, as per rules of the Company to the extent these singly or put together are not taxable under the Income Tax Act, 1961;
 - vi. Gratuity payable at the rate not exceeding half-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 the Managing 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, the Managing Director shall be entitled to the aforesaid salary, perquisites & allowances as minimum remuneration for a period of three (3) year. In addition thereto, Managing 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, as per rules of the Company 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 the remuneration aforesaid shall be effective from 10th June 2003.

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 the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the SEBI (Delisting of Securities Guidelines – 2003) read with Section 11A (2) of the SEBI Act and subject to other applicable provisions of the Companies Act, 1956 and other legislations, regulations, notifications, guidelines prescribed/to be prescribed from time to time and subject to necessary approval/consents etc. if required any, consent of the Company be and is hereby given for voluntary delisting of shares of the Company from the Stock Exchanges of Ahmedabad, Calcutta and Delhi.

FURTHER RESOLVED THAT Board of Director of the Company be and is hereby authorised to do all such acts, deeds or things, as may be required or considered necessary or incidental thereto."

By order of the Board
for JAY BHARAT MARUTI LIMITED

Place: New Delhi
Date : 17th July 2003

Deepak Bansal
Company Secretary

**NOTES:**

1. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item nos. 6 & 7 stated above is annexed hereto.
 2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself and that the proxy need not to be a member.

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
 3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12th August 2003 to Thursday, 14th August 2003 (both days inclusive).
 4. The Company has notified date of book closure for determining the names of members eligible for dividend, if approved on equity shares. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownerships furnished by the Depositories for this purpose.
 5. To provide protection against fraudulent encashment of dividend warrant, members holding shares in physical form are requested to provide the following information for incorporation on dividend warrants under the signature of sole/first joint holder :

i. Name of sole/first joint holder and folio	ii. Bank A/c Type and A/c No.	iii. Bank Name, Branch & address (with pin code)
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 6. The Company shall provide the Electronic Clearing Service Facility to the shareholders holding shares in physical and electronic forms. The shareholders who wish to avail this facility may authorize the Company with their ECS Mandate in the prescribed form, which can be obtained from the Company.
 7. 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 2B, which will be made available by the Company on request.
 8. Members are requested to bring their copy of the Annual Report to the Annual General Meeting, since no copy shall be distributed/provided at the venue. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting and should kindly be handed over at the entrance of the meeting place.
 9. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the meeting so that the information required may be made available.
 10. The members may address their correspondence either to the Company at its registered office or to M/s MCS Limited, Registrar and Share Transfer Agent. Please quote your folio number in all correspondence.
- M/s MCS Limited, Sri Venkatesh Bhawan, 212-A, Shahpurjat, New Delhi-110 049**
Telephone (011) 26494830, 26495704
11. Any document relevant/referred to in the Notice and accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Sundays and holidays between 11.00 a.m. to 1.00 p.m., upto the date of Annual General Meeting.



12. Re-appointment of Mr. F C Singhal

Mr. F. C. Singhal is on the Board of the Company since incorporation. Mr. Singhal is an industrialist and Managing Director of Super Auto India Limited. Mr. F. C. Singhal has an experience of over 45 years and holds directorships in the following other Companies:

Super Auto India Limited	:	Managing Director
Super Auto Industries Private Limited	:	Director
JBM Auto Components Limited	:	Director
Jay Bharat Breed Limited	:	Director
SPL Industries Limited	:	Director

Mr. F.C. Singhal is member of shareholders/investors grievance committees of two of the above companies and member of audit committee of one of the above companies.

Mr. F.C. Singhal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. F.C. Singhal is related to Mr. S.K. Arya and Mr. S.P. Arya, Directors.

13. Re-appointment of Mr. S.P. Arya

Mr. S.P. Arya is on the Board of the Company since incorporation. Mr. S.P. Arya is an industrialist and Director of Gurera Synthetics Private Limited. Mr. S.P. Arya has an experience of over 20 years.

Mr. S.P. Arya retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. S.P. Arya is related to Mr. S.K. Arya and Mr. F.C. Singhal, Directors.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**Item No. 6**

Mr. S. K. Arya is a Director on the Board of the Company since incorporation and Managing Director since 1988. Mr. Arya has vast experience in the field of automobile industry. The tenure and terms of re-appointment of Mr. S. K. Arya as Managing Director were last approved by the members for a period of 5 years w.e.f. 10th June 1998 and approved by the Central Government.

The Board of Directors have re-appointed Mr. S. K. Arya as Managing Director under Section 269 of the Companies Act, 1956 with effect from 10th June 2003 for a tenure of five (5) years at a remuneration and terms & conditions as mentioned in Item No. 6 of this meeting notice subject to the approval of shareholders and Central Government.

The Remuneration Committee and Board of the Company have already approved the payment of remuneration to Managing Director in their respective meetings held on 17th July 2003 including the payment of minimum remuneration in case of inadequacy of profits or no profits in the Company in any of the financial year.

In compliance with the provisions of Section 198, 269, 309 & 310 and other applicable provisions of the Act, the re-appointment of Mr. S. K. Arya on the terms and 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 members may note that Company has not made any default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment.

Additional information under Schedule XIII of the Companies Act, 1956**I. General Information**

- (1) The Company is manufacturer of sheet metal components for automobiles.
- (2) The Company was incorporated on 18th March 1982 and has already commenced its commercial production.



- (3) The financial performance of the Company is stated below as per audited Balance Sheet for the financial year ended 31st March 2003:

Particulars	Amount (Rs./lacs)
Sales and Other Income	31350
Net Profit	336
Net Worth	2694

- (4) There was no foreign exchange earning in the company during the financial year ended 31st March 2003.
- (5) The Company has entered into Technical Assistance Agreement with M/s Hamamatsu Pipe Co. Ltd., Japan and M/s Bellsonica Corp., Japan.

II. Information about the Appointee

- (1) Mr. S. K. Arya, aged 45 years, is Managing Director of the Company since 1988 and under his leadership as Managing Director of the Company, the Company has been progressing steadily and continuously.
- (2) Mr. Arya has been awarded 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, FIE Foundation Award in 2001 for his tremendous contribution to the engineering industry.
- (3) Mr. Arya is Vice Chairman of Haryana State Council of CII, Special Invitee of ACMA Executive Committee and Member of PHDCCI Management Committee. Mr. Arya is Ex Co-Chairman of Haryana Committee of PHDCCI and Ex-Chairman of "Sheet Metal and Chassis parts panel of ACMA".

With the concerted and untiring efforts of Mr. Arya, the Company got various accolades and recognitions viz.

- Certificate of Merit by National Productivity Council, 1993-94 & 1996-97
- ACMA Certificate of Merit 1996-97
- ACMA Certificate of Merit for Excellence in Quality 1998-99, 1999-2000
- Maruti Udyog's "Best Performing Vendor Award" in the Technology Group, large sheet metal components, category 'A' for 1993-94, 1994-95, 1995-96 and 1996-97.
- ISO/TS 16949:2002 Certification (the Company is the first in the World recommended for this certification)
- ACMA Productivity Award 1993-94
- ACMA Quality Award 1997-98
- ACMA Productivity Award 2000-01
- Haryana State Safety & Welfare Award for attaining first position in working conditions amongst Medium Scale Indigenous Industries in 1999.

- (4) Mr. S. K. Arya, Managing Director has drawn Rs. 23.89 lacs as remuneration during the financial year ended 2002-03 (approved by the Central Government vide its approval letter no. 1/176/98/CL.VII dated 09.11.1998 and 11.11.1998). The remuneration includes salary, allowance & perquisites, performance bonus and does not include contribution to provident fund, Superannuation funds etc.
- (5) Remuneration proposed:
Keeping in view of the responsibilities and role of the Managing Director in the progress of the Company and level of remuneration prevailing in the industry, the remuneration as stated in the proposed special resolution at item no. 6 of this annual general meeting is considered reasonable and justified.

- (6) The salary structure of the managerial personnel has undergone a major change in the industry in the recent times. Taking into consideration the type of the industry, size of the Company, profile of the appointee and the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid by other companies at similar level position.
- (7) Mr. S. K. Arya has no pecuniary relationship with the Company except the following:
- A house has been taken on rent by the Company from Mrs. Neelam Arya W/o Mr. S. K. Arya for residential accommodation of Managing Director.
 - Mr. F. C. Singhal (Father-in-law of Mr. S. K. Arya) is Director/Chairman and Mr. S. P. Arya (Brother of Mr. S. K. Arya) is Director of the Company.

III. Other information:

- (1) The proposed remuneration of Mr. S. K. Arya would be more than 5% of the present net profits of the Company. The margins of the Company remained under pressure due to stiff competition in the auto sector and higher depreciation due to expansion, which has resulted into the inadequate profits for payment of the proposed minimum remuneration. However profits are on the increasing trend, as reflected in the accounts.
- (2) Constant improvement in Quality, Cost, Delivery & Management (QCDM) are the only mantras for survival in today's competitive & globalized business environment. Various steps have been taken by the Company with the help of MUL's & Suzuki's team of experts for improvement in these areas. Company has taken various projects to reduce material cost by VAVE & manpower cost. New business of fuel neck and rear axle have already been procured for some of the Models of Maruti's vehicles. The supply shall commence in the financial year 2003-04.
- (3) The Company has improved its performance in the financial year 2002-03. A brief of comparative financial performance is given hereinbelow:

Particulars	Rs. in lacs)	
	2002-03	2001-02
Net Sales	25959	23500
PBDIT	2858	2441
Profit After Tax	336	194

Your directors expect that the Company would improve its financial performance in the times to come.

The notice together with the explanatory statement may be considered as an abstract of terms of appointment and memorandum of interest in compliance of requirement of Section 302 of the Companies Act, 1956.

None of the directors of the Company except Mr. F. C. Singhal and Mr. S. P. Arya shall be deemed to be concerned with or interested in this resolution except and to the extent they are members in the Company.

Item No. 7

The shares of the Company are listed since 1988 at the five (5) Stock Exchanges of India i.e. Ahmedabad, Calcutta, Delhi, Mumbai and National Stock Exchanges. The Company's shares are actively traded at Mumbai and National Stock Exchanges, having nation wide trading terminals and there was hardly any trading in the shares of the Company at the Stock Exchanges of Ahmedabad, Calcutta and Delhi.

Securities & Exchange Board of India (SEBI) has issued guidelines for voluntary delisting of shares from all or some of stock exchanges. In accordance with the said guidelines, your directors have recommended for voluntary delisting of shares from the Stock Exchanges of Ahmedabad, Calcutta and Delhi to save expenses being incurred on account of listing fee and also various administrative formalities relating to compliance of listing guidelines of these stock exchanges. Hence the matter of voluntary delisting of shares of the Company as mentioned at item no. 7 of the Notice convening the Meeting is now being placed before the members in general meeting for approval by passing of a special resolution

None of the directors of the Company is concerned with or interested in this resolution except and to the extent they are members in the Company.





JAY BHARAT MARUTI LIMITED

Registered Office : Neel House, Lado Sarai,
Opp. Qutab Minar, New Delhi - 110 030

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 16th Annual General Meeting of the
Company to be held on Thursday, the 21st day of August 2003 at All Heavens Resorts, Khera Khurd,
Delhi-110082, at 11.00 a.m. and at any adjournment thereof.

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

Signed this day of 2003.

Signed by the said

Signature of the Proxy

Attested by the shareholder

Revenue
stamp of
30 paisa

JAY BHARAT MARUTI LIMITED

Registered Office : Neel House, Lado Sarai,
Opp. Qutab Minar, New Delhi - 110 030



ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held on Thursday, the
21st day of August 2003 at All Heavens Resorts, Khera Khurd, Delhi-110082, at 11 a.m.

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:

1. Members/Proxies are requested to bring the duly filled in Attendance Slip to the 16th Annual General Meeting, to be handed over at the meeting.
2. If you intend to appoint a proxy, please deposit duly filled Proxy Form at Company's Registered Office at least 48 hours before the meeting i.e. upto 11.00 a.m. on 19th August 2003.

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

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