

**TWENTY FIRST  
ANNUAL REPORT  
2006-07**

**JAY USHIN LIMITED**  
(A JOINT VENTURE WITH U-SHIN LIMITED, JAPAN)

**BOARD OF DIRECTORS**

|                                      |   |
|--------------------------------------|---|
| CHAIRMAN                             | MR. J. P. MINDA   |
| DIRECTOR TECHNICAL                   | MR. ANIL MINDA  |
| MANAGING DIRECTOR                    | MR. ASHWANI MINDA   |
| DIRECTORS                            | MR. YUKICHI HARADA  |
|                                      | MR. KEISUKE TAKEBE  |
|                                      | MR. SHIV RAJ SINGH  |
|                                      | MR. BHARAT BHUSHAN CHADHA   |
|                                      | MR. ASHOK PANJWANI  |
|                                      | MR. BHAWANI SHANKAR RATHI   |
|                                      | MR. VIRENDRA KUMAR CHANANA  |
| GENERAL MANAGER FINANCE              | MR.S.K.AGARWAL  |
| AUDITORS                             | M/S MAHESHWARI & ASSOCIATES<br>B1/12, IIND FLOOR,<br>SAFDARJUNG ENCLAVE,<br>NEW DELHI-110029  |
| BANKERS                              | KOTAK MAHINDRA BANK LIMITED<br>STANDARD CHARTERED BANK  |
| REGISTERED OFFICE                    | GI-48, G.T. KARNAL ROAD,<br>INDUSTRIAL AREA, DELHI –110033                                    |
| FACTORIES                            | GP-14, HSIDC INDUSTRIAL ESTATE,<br>SECTOR –18, GURGAON, HARYANA –122001                       |
|                                      | PLOT NO.4, SECTOR-3, IMT-MANESAR,<br>DISTT. GURGAON, HARYANA-122050                           |
|                                      | PLOT NO.154, TRUNK ROAD, PORUR,<br>CHENNAI, TAMILNADU-600116                                  |
|                                      | D-1(2), SIPCOT INDUSTRIAL PARK,<br>IRUNGULAM VILLAGE,<br>SRIPERUMBUDUR,<br>CHENNAI, TAMILNADU |
| LISTING OF EQUITY SHARES             | BOMBAY STOCK EXCHANGE LIMITED<br>PHIROZE JEEJEEBHOY TOWER,<br>DALAL STREET,<br>MUMBAI-400001  |
| REGISTRARS AND SHARE TRANSFER AGENTS | RCMC SHARE REGISTRY P. LTD.   |
| REGISTERED OFFICE                    | 1515, 1ST FLOOR,<br>BHISHAM PITAMAH MARG,<br>KOTLA MUBARAKPUR,<br>NEW DELHI-110003            |
| CORRESPONDENCE ADDRESS               | B-106, SECTOR -2<br>NOIDA, UTTAR PRADESH  |

**NOTICE**

**NOTICE** is hereby given that the Twenty first Annual General Meeting of the members of Jay Ushin Limited will be held on Saturday, September 29, 2007 at 11 A.M. at Hotel Mohan, Central Market, Ashok Vihar, Phase-I, Delhi-110052 to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2007 and Profit & Loss Account for the year ended on that date alongwith the Reports of the Auditors and Directors thereon.
2. To declare dividend for the financial year ended March 31, 2007.
3. To appoint a Director in place of Mr. Bharat Bhushan Chadha, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shiv Raj Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ashok Panjwani who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution :-  
"RESOLVED THAT M/s Maheshwari & Associates, Chartered Accountants, New Delhi, the retiring Auditors of the Company be and are hereby re-appointed as Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company".

**SPECIAL BUSINESS**

7. To Consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Keisuke Takebe, who was appointed as a Director under section 262 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
8. To Consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Virendra Kumar Chanana, who was appointed as an Additional Director of the Company with effect from April 24, 2007 under section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".
9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, Mr.J.P. Minda aged 74 years be and is hereby appointed as a Whole-time Director of the Company with effect from 1st October, 2007 for a period of 3 years at following remuneration:

**Remuneration:**

- a) Basic Salary: Rs. 2,50,000 per month
- b) Perquisites and Allowances: In addition to the salary, he shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and him. Value of such perquisites and allowances shall not exceed Rs. 6,00,000 per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

RESOLVED FURTHER THAT wherein in any financial year during the currency of tenure of the above said appointee, the company has no profit or its profits are inadequate, the above remuneration may be paid as minimum remuneration."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, Mr.Anil Minda aged 51 years be and is hereby appointed as a Whole-time Director of the Company with effect from 1st October, 2007 for a period of 3 years at following remuneration:

**Remuneration:**

- a) Basic Salary: Rs. 2,50,000 per month
- b) Perquisites and Allowances: In addition to the salary, he shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance,

together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and him. Value of such perquisites and allowances shall not exceed Rs. 6,00,000 per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

RESOLVED FURTHER THAT wherein in any financial year during the currency of tenure of the above said appointee, the company has no profit or its profits are inadequate, the above remuneration may be paid as minimum remuneration."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, Mr. Ashwani Minda aged 48 years be and is hereby appointed as a Managing Director of the Company with effect from 1st October, 2007 for a period of 3 years at following remuneration:

**Remuneration:**

- a) Basic Salary: Rs. 2,50,000 per month
- b) Perquisites and Allowances: In addition to the salary, he shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and him. Value of such perquisites and allowances shall not exceed Rs. 6,00,000 per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

RESOLVED FURTHER THAT wherein in any financial year during the currency of tenure of the above said appointee, the company has no profit or its profits are inadequate, the above remuneration may be paid as minimum remuneration."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT subject to the provisions of Section 269, 309, 198 and schedule XIII and other applicable provisions of the Companies Act, 1956, Mr. Yukichi Harada aged 69 years be and is hereby re-appointed as Whole time Director of the Company for a period of 1 year with effect from October 28, 2007 on the remuneration and terms and conditions as set out below :-

- |                      |   |
|----------------------|---|
| 1. Remuneration      | He shall receive a Basic Salary Rs.80,000 per month. He shall also receive Rs.3000 per month as expenses of lunch time meals. He shall be paid upto Rs.2500 per month to hire a cook.     |
| 2. Accommodation     | He shall be provided a furnished residential accommodation at the Company cost, subject to the ceiling of 50% of Basic Salary.  |
| 3. Moving Expenses   | Moving expenses to be incurred after the end of his tenure, to return to Japan upto Rs.50000/-, shall be borne by Company.  |
| 4. Paid Vacation     | He shall be granted twenty (20) days paid vacation for a year.  |
| 5. Bereavement Leave | In case of a death in his immediate family, he shall be granted a paid leave of absence of up to ten (10) consecutive days to return to Japan and to hold and attend the funeral service. |
| 6. Company Car       | He shall be provided a Company maintained car with chauffeur for official purpose.  |
| 7. Regulations       | He shall work in the Company in accordance with Company's regulations, unless otherwise specified, such as office rules, dress code, work holidays and so on.                             |

RESOLVED FURTHER THAT wherein in any financial year during the currency of tenure of service of the above said appointee, the company has no profit or its profits are inadequate, the above remuneration may be paid as minimum remuneration."

By Order of the Board  
**Jay Ushin Limited**

Place : Gurgaon  
Date : August 30, 2007

**(Ashwani Minda)**  
Managing Director

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement setting out the material facts concerning the Special Business at Item Nos. 7 to 12 of the accompanying Notice, as required under Section 173 of the Companies Act, 1956, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 17, 2007 to Saturday, September 29, 2007 (both days inclusive).
5. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same order of names.
6. Members are requested to notify immediately any change in their address and/or the bank mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
8. The shares of the Company are traded in Demat form with Depositories viz Central Depository Service (India) Limited, Mumbai and National Securities Depository Limited, Mumbai under ISIN :INE289D01015. Members who are holding shares in physical form are advised to submit the share certificates for dematerialisation.
9. Under the provisions of Section 109A and 109B to the Companies Act, 1956, every individual member is entitled to nominate in the prescribed manner, a person to whom his/her shares in the Company, shall vest in the event of his/her death. Members who are interested in availing the nomination facility are requested to write to the Registrar & Share Transfer Agent.
10. Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment ) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund. The amount so transferred can not be claimed from the Company or from the Fund.  
The Members who have not yet encashed their dividend for the financial years 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 are requested to make their claims to the Company, without any delay.
11. At this Annual General Meeting Mr. Bharat Bhushan Chadha, Mr. Shiv Raj Singh and Mr. Ashok Panjwani retire by rotation, and being eligible, offer themselves for re-appointment.

The brief background and functional experience of the directors proposed for re-appointment, are given below alongwith the details of the Companies in which they are directors and committees of which they are members.

**1. MR. BHARAT BHUSHAN CHADHA**

Mr. Bharat Bhushan Chadha is aged 69 years. He is Fellow Member of the Institute of Cost and Works Accountants of India and also a member of the Institute of Internal Auditors, Florida, USA. He retired as the Chairman and Managing Director of ITI Limited. He has also worked in Steel Authority of India Ltd. as General Manager (Finance) for more than thirty one years. He has vast experience in finance, marketing, project implementation, human resource development, industry, industrial relations and management etc.. The details of other directorships and committee membership held by him are given as under:-

| <b>Directorship</b>  | <b>Committee membership</b> |
|----------------------|-----------------------------|
| Surya Roshni Limited | Audit Committee             |
| Delton Cables Ltd.   | —                           |

**2. MR. SHIV RAJ SINGH**

Mr. Shiv Raj Singh is aged 74 years. He is a post graduate in Economics. He had retired as Controller General of Accounts (Equivalent to Secretary, Government of India) from Ministry of Finance. He has over 49 years experience in Administration, Budgetary and financial control. Due to his vast experience he was elected as Chairman of U.N. Inter Government Working Group of Experts on setting International Standards of Accounting and Reporting in March, 1989. The details of other directorships and committee membership held by him are given as under :-

| <b>Directorship</b>       | <b>Committee membership</b>               |
|---------------------------|---|
| Suprajit Engineering Ltd. | Audit Committee<br>Remuneration Committee |

**3. MR. ASHOK PANJWANI**

Mr. Ashok Panjwani is aged 47 years. He is B.Tech from IIT, Delhi, Fellow from IIM, Ahmedabad and has specialization in the field of Civil Engineering, Production & Quantitative Methods. He is Associate Professor in Management Development Institute, Gurgaon. He is not a director on the Board of any other Company and is also not a member/Chairman of the Committees of Board of any other Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)  
OF THE COMPANIES ACT, 1956.**

**ITEM NO. 7**

Mr. Keisuke Takebe was appointed by the Board of Directors of the Company in its meeting held on December 6, 2006 as a Director to fill up the causal vacancy caused due to withdrawal of nomination of Mr. Mizuho Masuda as Director by U-shin Limited, Japan vide their letter dated September 21, 2006 as per the terms of Joint Venture Agreement dated May 30, 1986.

Mr. Keisuke Takebe, aged about 60 years is a Graduate from Department of Politics and Economics, Waseda University and have 37 years experience at a Senior position in Auto Components manufacturing Company.

Except Mr. Keisuke Takebe, none of the Directors is concerned or interested in this resolution.

The Board recommends the resolution for the approval of shareholders.

**ITEM NO. 8**

Mr. Virendra Kumar Chanana was appointed as an Additional Director at the meeting of Board of Directors of the Company held on April 24, 2007. He holds office of Director upto the date of ensuing Annual General Meeting. A proposal has been received from a member under Section 257 of the Companies Act, 1956 together with the necessary fee proposing the appointment of Mr. Virendra Kumar Chanana as a director at this Annual General Meeting.

Mr. Virendra Kumar Chanana aged about 68 years is M.Sc (physics) from Delhi University and M.Sc from London School of Economics and joined Indian Administrative Service ( I.A.S) in 1963. Mr. Chanana had worked with UNIDO at its Head Quarters at Vienna. His responsibilities included formulation and implementation of programmes for strengthening private sector development, investment promotion and development of industrial infrastructure in developing countries. He was earlier working in the field of industrial development in the state of UP and Ministry of Industries for nearly twenty five years. .

Except Mr. Virendra Kumar Chanana, none of the Directors is concerned or interested in this resolution.

The Board recommends the resolution for the approval of the shareholders.

**ITEM NO. 9, 10 & 11**

The Company was promoted by Mr.J.P.Minda in the year 1986 and entered into a joint venture agreement as well as technical assistance agreement with U-shin Ltd., Japan. The Company started its commercial production from August 1, 1989. Mr.J.P.Minda is associated with the Company since incorporation as first Director and Chairman. He was appointed as whole-time director (Director-operations) of the Company on October 1, 1997. Mr.J.P.Minda is B.E. (Electrical) from BITS, Pilani and has about 51 years of experience in manufacturing and marketing of automotive components. He looks after overall management of the Company.

Mr. Anil Minda joined the Company as a Director on March 1, 1988. He was appointed as a whole-time director (Director-technical) on April 4, 1988. He is B.Tech. (Electrical) from Institute of Technology, Banaras Hindu University and has about 28 years of experience in the manufacturing and marketing of automotive component. He looks after production and quality control.

Mr. Ashwani Minda is associated with the Company since incorporation as a Director. He was appointed as Managing Director on April 4, 1988. He is B.Tech from IIT, Delhi and has about 26 years of experience in the manufacturing and marketing of automotive components. He looks after finance and commercial functions of the Company.

The Shareholders in the Annual General Meeting held on 30.09.2002 had appointed Mr.J.P.Minda and Mr. Anil Minda as Whole time directors and Mr. Ashwani Minda as Managing Director of the Company for a period of five years from 01.10.2002 at a remuneration of Rs. 1,15,000/- P.M., which expires on 30.09.2007. The Board of Directors of the Company in its meeting held on August 30, 2007 has re-appointed Mr.J.P.Minda and Mr. Anil Minda as Whole time directors and Mr. Ashwani Minda as Managing Director of the Company for a further term of three years and on such remuneration as recommended by the Remuneration committee of the Board as mentioned in Resolution Nos.9, 10 & 11 respectively of the Notice.

The re-appointment and payment of remuneration are required to be approved by Members of the Company due to the following reasons:-

1. Mr. J.P. Minda has attained the age of 70 years and his re-appointment is to be approved by a Special resolution passed in the general meeting as required by Part I(c)(ii) to Schedule XIII to the Companies Act, 1956.

2. Re-appointment of the all appointees are to be approved by a Special resolution passed in the general meeting as required by Part II, Section II, para (B)(iv) to Schedule XIII to the Companies Act, 1956.
3. As per the provisions contained in Part-III of Schedule XIII and Section 309 to the Act, the appointment and remuneration referred to in Part I & II of this schedule shall be subject to approval by a resolution of the shareholders in general meeting.

None of the Directors other than Mr.J.P.Minda, Mr.Anil Minda and Mr.Ashwani Minda (related to each other) are interested in the said resolutions.

The Board recommends the resolutions for the approval of the shareholders.

**ITEM NO. 12**

The Company had signed a Joint Venture agreement on May 30, 1986 with U-shin Ltd., Japan. In terms of the agreement, U-shin Ltd. has invested into the Equity capital of the Company to the extent of 25% and is constantly providing all technical assistance required by the Company from time to time.

To streamline the operations of Quality department, the Company requested U-shin Ltd., Japan to depute a senior person. U-shin Ltd., Japan had deputed Mr.Yukichi Harada aged 69 years having a Bachelor Degree in Electrical from Nihon University Technology Dept.#2, Japan and 43 years experience at a Senior position in an Auto Components manufacturing Company. Mr.Yukichi Harada was appointed as Quality Assurance Manager w.e.f. July 18, 2002 as incharge of Quality control department at the Company's plant at GP-14, HSIDC Industrial Estate, Sector-18, Gurgaon-122001.

Subsequent to the above, vide their letter dated September 2, 2004, U-shin Limited had withdrawn the nomination of Mr.Haruyuki Takayori as a director of the Company and nominated Mr.Yukichi Harada on the Board of Directors of the Company.

The Shareholders of the Company in the Annual General Meeting held on 30.09.2005 appointed Mr.Yukichi Harada as Whole time director of the Company for a period of three years with effect from October 28, 2004, which expires on October 27, 2007 and It will be in the interest of the Company to re-appoint him as a Whole time director for such period and pay him remuneration and other perquisites as mentioned in Resolution No.12 of the Notice subject to the approval of shareholders in the ensuing Annual General Meeting.

The Board of Directors of the Company in its meeting held on August 30, 2007 has re-appointed Mr.Yukichi Harada as Whole time director of the Company for a further term of one year and on such remuneration as recommended by the Remuneration committee of the Board as mentioned in Resolution No.12 of the Notice.

The appointment of Mr.Yukichi Harada and payment of remuneration are not required to be approved by Central Government due to the following reasons:-

- the appointee is Resident in India for a continuous period of not less than twelve months immediately preceding the date of his appointment as required by Part I (e) Schedule XIII to the Companies Act, 1956.
- the payment of remuneration is approved by a resolution passed by the Remuneration Committee in its meeting held on October 28, 2004 as required as per amendment of Schedule XIII of the Companies Act, 1956 vide Notification No.GSR 36(E), dated January 16, 2002, Part II, section II, para 1(A)(iii);
- the company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of managerial person as required as per amendment of Schedule XIII of the Companies Act, 1956 vide Notification No.GSR 36(E), dated January 16, 2002, Part II, Section II, para 1(A)(iii).

Mr.Yukichi Harada may be deemed to be concerned or interested in the above resolution which pertain to his appointment and remuneration. None of the other directors of the company is in any way concerned or interested in the aforesaid resolution.

The Board recommends the resolution for the approval of shareholders.

By Order of the Board  
**Jay Ushin Limited**

Place : Gurgaon  
Date : August 30, 2007

**(Ashwani Minda)**  
Managing Director

**REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION & ANALYSIS**

To

The Members,

Your Directors have pleasure in presenting the 21st Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2007.

**FINANCIAL RESULTS**

(Rs. in Lakhs)

|                                       | <b>For the year ended<br/>March 31, 2007</b> | <b>For the year ended<br/>March 31, 2006</b> |
|---------------------------------------|--|--|
| Turnover (Gross)                      | 17858.41                                     | 12115.58                                     |
| Profit before interest & depreciation | 878.16                                       | 694.23                                       |
| Finance Charges                       | 213.68                                       | 192.56                                       |
| Profit before depreciation            | 664.49                                       | 501.67                                       |
| Depreciation                          | 413.47                                       | 313.08                                       |
| Profit before tax                     | 251.02                                       | 188.59                                       |
| Provision for taxation                |  |  |
| - Income tax                          | 75.75  | 24.74  |
| - Fringe benefit tax                  | 16.36  | 24.52  |
| - Deferred tax liability              | <u>92.18</u>                                 | <u>16.25</u>                                 |
| Net profit for the year               | 66.73  | 123.08                                       |
| Dividend                              | 38.65  | 38.65  |
| Tax on dividend                       | 6.57   | 5.42   |
| Profit after tax and dividend         | 21.52  | 79.01  |
| Balance of Profit brought forward     | 488.90                                       | 409.89                                       |
| Balance carried to the Balance Sheet  | 510.42                                       | 488.90                                       |

**OPERATIONS**

The gross revenue for the year was Rs.17858.41 Lakhs as against Rs.12115.58 Lakhs in the previous year showing a growth of 47.4%. Profit before tax stood at Rs.251.02 Lakhs against Rs.188.59 Lakhs, recording an increase of 33.1%

This sustained growth in the domestic automobile industry has augured well for the auto components industry. Not only has demand increased, but also growth has given the key auto component manufacturers the opportunity of being the preferred suppliers to global automobile majors.

During the year, the Company has invested Rs.1335 Lakhs towards modernisation and expansion of its facilities as against Rs.1216 Lakhs in the previous year. In view of growth opportunities presented by both domestic and international market, the Company is taking conscious decision to invest in upgrading and increasing its facilities. As a result there was a growth of 47.4% in sales during the year.

In the current year, net sales in first quarter was Rs.5434.72 Lakhs as against Rs.3116.03 Lakhs in the corresponding quarter of the previous year achieving a growth of 74%. The Company has estimated a growth of 50% during the current year.

**DIVIDEND**

The Board of Directors recommends a dividend of 10% (i.e. Re.1/- per equity share of Rs.10/- each) for the year ended March 31, 2007.

**DIRECTORS**

Mr.Bharat Bhushan Chadha, Mr.Shiv Raj Singh and Mr.Ashok Panjwani, Directors retire by rotation and, being eligible, offer themselves for re-appointment.

U-shin Ltd., Japan nominated Mr.Keisuke Takebe in place of Mr.Mizuho Masuda as a Director on the Board of the Company. The Board places on record its acknowledgement of Mr.Mizuho Masuda's contribution to the growth of the Company.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has established internal control systems which provide reasonable assurance with regard to recording of operations/ transactions in all respects.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :-

- the applicable accounting standards have been followed in preparation of Annual Accounts and that there are no material departures,

- accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of financial year and of the profit of the Company for that period ;
- proper and sufficient care has been taken 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;
- the Annual Accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

Corporate Governance Report as well as Corporate Governance Compliance Certificate are set out as per Annexure-I to this report.

The Board has appointed Mr.Virendra Kumar Chanana as an Additional Director (Independent Director) in Compliance of Listing Agreement w.e.f. April 24, 2007.

**AUDITORS**

M/s Maheshwari & Associates, Chartered Accountants, New Delhi, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. A certificate in terms of section 224(1B) of the Companies Act, 1956 has been received from them. The Audit Committee of the Board of Directors have recommended their re-appointment.

**AUDITORS' REPORT**

The observation made by the Auditors in clause xvii of Annexure to the Auditors Report, the company has used short term fund for its ongoing expansion programme which has resulted in increase in its turnover and profitability. During the current year company has tied up with its Bankers to raise long term funds against such investment.

Other observations made by the Auditors in their report are explained in the Notes to the accounts.

**REQUIREMENT UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

Number of the Employees who are in receipt of remuneration amounting : None  
in the aggregate to Rs.24,00,000 or more if employed for the full year or  
Rs. 2,00,000 or more per month if employed for part of the year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

Additional information on conservation of energy, technology absorption and foreign exchange earning and outgo as required to be disclosed in terms of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is given in the Annexure-II forming part of this report.

**DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

**ISO ACCREDITATION**

Your Company's facilities in the Plant at Gurgaon have the prestigious ISO/TS-16949-2002 certification from a reputed USA Certification Body.

**LISTING**

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited pursuant to Clause 38 of the Listing Agreement. The Annual Listing fee for the year 2007-08 has been paid.

**ACKNOWLEDGEMENTS**

Your directors express their appreciation for the assistance and co-operation received from Financial Institutions, Government Authorities, Banks, U-shin Ltd., Japan, Shinchang Electrics Co. Ltd., Korea, esteemed Customers and Shareholders. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff and Workers of the Company.

For and on behalf of the Board

Place : Gurgaon  
Date : August 30, 2007

**J. P. Minda**  
Chairman

## ANNEXURE –I TO THE DIRECTOR’S REPORT CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

### 1. Company’s Philosophy

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance.

The spirit of Corporate Governance has prevailed in the Company and has influenced its decisions and policies long before the guidelines became mandatory. The Company firmly believes in the values of transparency, professionalism and accountability in its dealings with its customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

### 2. Board of Directors

The Board comprises of the Executive Chairman, Managing Director and two Directors including one director nominated by Foreign Collaborators M/s.Ushin Limited, Japan and six Non-Executive Directors, including one director nominated by Foreign Collaborators M/s.Ushin Limited, Japan.

During the year, six Board Meetings were held on April 29, 2006, August 22, 2006, August 28, 2006, October 30, 2006, December 6, 2006 and January 31, 2007. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of other Directorships and Committee Membership as on March 31, 2007 are as follows :

| Name of Director           | Category                              | No. of Board meetings attended | Attended last AGM | No. of other Directorships (excluding private limited Companies and foreign companies) | No. of Committee Membership in other Companies |          |
|----------------------------|---------------------------------------|--------------------------------|-------------------|--|--|----------|
|                            |                                       |                                |                   |  | Member   | Chairman |
| Mr.J. P. Minda             | Executive Chairman                    | 5                              | Yes               | 7  | -  | -        |
| Mr. Anil Minda             | Executive Director                    | -                              | No                | 7  | -  | -        |
| Mr. Ashwani Minda          | Executive Director                    | 5                              | Yes               | 8  | -  | -        |
| Mr. Shiv Raj Singh         | Non - Executive Director-Independent  | 2                              | Yes               | 1  | 2  | -        |
| Mr. Bharat Bhushan Chadha  | Non - Executive Director- Independent | 4                              | No                | 2  | 1  | -        |
| Mr. Ashok Panjwani         | Non - Executive Director-Independent  | 5                              | No                | -  | -  | -        |
| Mr. Bhawani Shankar Rathi  | Non - Executive Director-Independent  | -                              | No                | 2  | -  | 1        |
| Mr. Yukichi Harada         | Executive Director                    | 2                              | No                | -  | -  | -        |
| Mr. Mizuho Masuda (Note 1) | Non - Executive Director              | -                              | No                | -  | -  | -        |
| Mr.Keisuke Takebe (Note 2) | Non - Executive Director              | -                              | No                | -  | -  | -        |

Note 1. Ceased to be a Director effective December 6, 2006  
2. Appointed as a Director effective December 6, 2006

M/s.U-shin Limited, Japan, the Foreign Collaborator of the Company is providing technical know-how to the Company, Mr.Yukichi Harada, Executive Director, Mr.Keisuke Takebe Non-Executive Director and Mr.Mizuho Masuda (Note 1), Non-Executive Director of the Company, are nominees of M/s.U-shin Limited. During the year, the Company paid/credited Rs.184.23 Lakhs (previous year Rs.150.78 Lakhs) towards dividend, technical consultancy fee, Royalty, Technical Know-how, Technical assistance fee and reimbursement of Air ticket, visa and trip expenses to M/s.U-shin Ltd., Japan.

### 3. Audit Committee

In terms of provisions of Section 292A of the Companies Act, 1956, Audit Committee of the Board of Directors was formed by the Board of Directors on January 29, 2003 and presently comprises of three independent directors viz. Mr.Bharat Bhushan Chadha, Chairman, Mr.Shiv Raj Singh & Mr.Ashok Panjwani. The role of Audit Committee is to provide directions to and oversee the internal audit and risk management functions, review of financial results, interact

with statutory auditors and such other matters as are required in terms of the Companies Act, 1956 and Listing Agreement. The Company Secretary acts as the Secretary of the Audit Committee.

#### Meeting and Attendance

The details of the Audit Committee Meetings held during the year and Attendance are given as follows :

| Date of meeting  | Committee Strength | No. of Directors present |
|------------------|--------------------|--------------------------|
| April 29, 2006   | 3                  | 3                        |
| August 22, 2006  | 3                  | 2                        |
| December 6, 2006 | 3                  | 3                        |
| January 31, 2007 | 3                  | 2                        |

#### 4. Remuneration Committee

The remuneration committee consists of 3 independent directors viz. Mr. Shiv Raj Singh, Mr. Bharat Bhushan Chadha and Mr. Ashok Panjwani. The remuneration of the Executive Directors fixed by the Committee is approved by the Board as well as shareholders in the General Meeting.

#### Meeting and Attendance

The details of the Remuneration Committee Meetings held during the year and Attendance are given as follows:

| Date of meeting | Committee Strength | No. of Directors present |
|-----------------|--------------------|--------------------------|
| August 22, 2006 | 3                  | 2                        |

#### Remuneration Policy

The remuneration for Executive Directors and sitting fees for Non executive directors is fixed within the limits prescribed under Schedule XIII of the Companies Act, 1956.

The details of remuneration paid to Executive Directors and sitting fees paid/credited to non-executive independent directors for attending the meetings of the Board and Committees thereof during the year are as under:

| Executive Directors : |        |                            | (Rs. in Lakhs) |
|-----------------------|--------|----------------------------|----------------|
| Name of the director  | Salary | Perquisites and allowances | Total          |
| Mr. J. P. Minda       | 13.80  | -                          | 13.80          |
| Mr. Anil Minda        | 13.80  | -                          | 13.80          |
| Mr. Ashwani Minda     | 13.80  | -                          | 13.80          |
| Mr. Yukichi Harada    | 10.23  | 2.17                       | 12.40          |

Note: No sitting fee has been paid to Mr. J. P. Minda, Mr. Anil Minda, Mr. Ashwani Minda, and Mr. Yukichi Harada.

#### Non- Executive Directors (Independent) :

(Rs. in Lakhs)

| Name of the director      | Sitting fees | Other/commission, if any |
|---------------------------|--------------|--------------------------|
| Mr. Shiv Raj Singh        | 0.23         | Nil                      |
| Mr. Bharat Bhushan Chadha | 0.10         | Nil                      |
| Mr. Ashok Panjwani        | 0.25         | Nil                      |

#### 5. Shareholders Committees

In terms of Clause 49 of the Listing Agreement, a Shareholders and Investors Grievance Committee of the Board of Directors was formed by the Board of Directors on January 29, 2003 and presently comprises of two Directors i.e. Mr. Shiv Raj Singh, Chairman & Mr. Bharat Bhushan Chadha. The Committee looks into the redressal of shareholders and Investors complaints such as transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Company Secretary acts as the Secretary of the Shareholders and Investors Grievance Committee and is Compliance officer of the Company. During the year under review, the Company has not received any complaint from the shareholders. No meeting was held during the year.

The Company has also a Share Transfer Committee consisting of two executive directors viz. Mr. J.P. Minda and Mr. Anil Minda. The Committee looks after and approve transfer of equity shares including dematerialization, issue of duplicate share certificates, transmission of securities etc.. 25 meetings were held during the year.

## 6. General Body Meetings

| Year | Date               | Day      | Time    | Location  |
|------|--------------------|----------|---------|---|
| 2004 | September 30, 2004 | Thursday | 11 A.M. | Hotel Mohan, Central Market, Ashok Vihar, Phase-I, Delhi-110052 |
| 2005 | September 30, 2005 | Friday   | 11 A.M. | -do-  |
| 2006 | September 30, 2006 | Saturday | 11 A.M. | -do-  |

All special resolutions moved at the last AGM were passed unanimously on a show hands by the shareholders present at the meeting. None of the business required to be transferred at this AGM is proposed to be passed by postal ballot.

## 7. Disclosures

- i. During the year under review, besides the transactions reported in the Annual Report, there were no other related party transactions with its promoters, directors and management that are in a potential conflict with the interest of the Company at large.
- ii. The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India and other statutory authorities relating to the capital markets during the last three years. No penalties or strictures have been passed by them against the Company.
- iii. The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management and the same is posted on the website of the Company.
- iv. During the year company has raised Rs.71.96 Lakhs towards share premium in terms of condition imposed by Mumbai Stock Exchange for listing of 533029 equity shares allotted on March 30, 1996
- v. **CEO/CFO Certification**  
The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

## 8. Means of communication

1. The quarterly and half yearly results were published in The Financial Express and Jansatta. The Company has not adopted the suggestive practice of mailing half yearly results to the shareholders.
2. The results are displayed on company's official website www.jpjgroup.co.in.
3. The Company has not made any formal presentation to the institutional investors or to analysts during the year.

## 9. General Shareholder information

- i. Date and venue of the Annual General Meeting : September 29, 2007 at 11 A.M.  
Hotel Mohan, Central Market, Ashok Vihar, Phase-I, Delhi-110052
- ii. **Financial Calendar**  
Mailing of Annual Report : Beginning September, 2007  
Annual General Meeting : Last week of September, 2007  
First Quarter Results (30th June) : Last week of July, 2007  
Second Quarter results (30th September) : Last week of October, 2007  
Third Quarter results (31st December) : Last week of January, 2008  
Fourth Quarter results (31st March) : Last week of April, 2008
- iii. **Date of Book Closure**  
The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 17, 2007 to Saturday, September 29, 2007 (both days inclusive).
- iv. **Listing on Stock Exchanges**  
The equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai. The annual listing fee has been paid upto date. The Company's applications for listing of 196471, 533029 and 293500 are pending with The Stock Exchange, Mumbai since the year June, 2001.
- v. **Name and Depositories for dematerialization of equity shares :**

| Name of the depository                             | ISIN No.     |
|--|--------------|
| National Securities Depository Limited (NSDL)      | INE289D01015 |
| Central Depository Services (India) Limited (CDSL) | INE289D01015 |

The equity shares are quoted under the following codes :

| Stock Exchange                        | Code/Symbol |
|---------------------------------------|-------------|
| Bombay Stock Exchange Limited, Mumbai | 513252      |

vi. **Market Price Data at BSE \***

| Month           | BSE    |       |        |
|-----------------|--------|-------|--------|
|                 | High   | Low   | Volume |
| April, 2006     | 62.50  | 50.00 | 47356  |
| May, 2006       | 110.60 | 58.00 | 646963 |
| June, 2006      | 69.90  | 44.25 | 66364  |
| July, 2006      | 67.00  | 52.00 | 38108  |
| August, 2006    | 81.00  | 54.25 | 66021  |
| September, 2006 | 73.00  | 59.50 | 13637  |
| October, 2006   | 70.00  | 58.55 | 14848  |
| November, 2006  | 63.00  | 45.00 | 49667  |
| December, 2006  | 72.90  | 48.00 | 72704  |
| January, 2007   | 71.00  | 60.00 | 21035  |
| February, 2007  | 68.00  | 45.35 | 11844  |
| March, 2007     | 79.80  | 45.00 | 75905  |

\* Source : www.bseindia.com

vii. **Share Transfer System**

The Company's shares are traded on Bombay Stock Exchange Limited, Mumbai in demat mode. Shares in physical mode, which are lodged for transfer either with the company or with the Share Transfer Agent are processed and subject to exercise of option under compulsory transfer cum-demat-procedure, share certificates are either dematted or returned within time as prescribed by the authorities.

As regard transfer of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and transferee/s maintained with recognized Depository participants.

viii. **Shareholding pattern as on March 31, 2007**

| Category                                    | No. of shares  | %             |
|---|----------------|---------------|
| Promoter Directors                          | 676164         | 17.50         |
| Directors' Relative & friends               | 1008584        | 26.10         |
| Foreign Collaborators                       | 966000         | 25.00         |
| NRI   | 62875          | 1.63          |
| Domestic Companies\Bank\ Mutual Funds\Trust | 643061         | 16.64         |
| Public                                      | 507816         | 13.13         |
| <b>Total</b>                                | <b>3864500</b> | <b>100.00</b> |

ix. **Distribution of Shareholding as on March 31, 2007**

| No of equity shares held | No. of shareholders | Percentage of shareholders | No. of shares  | Percentage of shareholding |
|--------------------------|---------------------|----------------------------|----------------|----------------------------|
| 1-500                    | 2690                | 92.28                      | 346329         | 8.96                       |
| 501-1000                 | 105                 | 3.60                       | 86442          | 2.24                       |
| 1001-2000                | 37                  | 1.27                       | 56604          | 1.46                       |
| 2001-3000                | 9                   | 0.31                       | 23093          | 0.60                       |
| 3001-4000                | 8                   | 0.27                       | 29073          | 0.75                       |
| 4001-5000                | 7                   | 0.24                       | 31772          | 0.82                       |
| 5001-10000               | 11                  | 0.38                       | 84011          | 2.17                       |
| 10001 and above          | 48                  | 1.65                       | 3207176        | 82.99                      |
| <b>Total</b>             | <b>2915</b>         | <b>100.00</b>              | <b>3864500</b> | <b>100.00</b>              |

- x. **Dematerialisation of Shares and liquidity**  
About 17% of the Company's paid-up equity share capital has been dematerialized upto March 31, 2007. Trading in equity shares of the Company is permitted only in dematerialised segment as per notification issued by the Securities & Exchange Board of India (SEBI).  
Shares of the Company are actively traded on Bombay Stock Exchange Limited, Mumbai and hence have good liquidity.
- xi The Company has not issued any GDRs/ADRs/ Warrants or any other convertible instruments, which are pending for conversion.
- xii **Factory Locations :**  
1. GP-14, HSIDC Industrial Estate, Sector -18, Gurgaon-122001 (Haryana)  
2. Plot No.4, Sector 3, IMT-Manesar, Distt. Gurgaon-122050 (Haryana)  
3. Plot No.154, Trunk Road, Porur, Chennai-600116 (Tamilnadu)  
4. D-1(2), Sipcot Industrial Park, Irungulam Village, Sriperumbudur, Chennai, Tamilnadu
- xiii. **Registrar and Transfer Agents/Address for correspondence**  
RCMC Share Registry P. Ltd.  
B-106, Sector -2  
Noida, Uttar Pradesh  
Phone : (0120)-4015880 Fax No. : (0120)-4015839  
E-mail : rcmc@theoffice.net  
  
Members may write for any queries/information to Mr.S.K.Agarwal, General Manager (Finance), GP-14, HSIDC Industrial Estate, Sector -18, Gurgaon-122001 (Haryana) or any query can be sent by e-mail to skagarwal@jushinindia.com or jushin@del2.vsnl.net.in.

### DECLARATION

As per clause 49 of Listing agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2007.

Jay Ushin Limited

Place : Gurgaon  
Date : August 30, 2007

**Ashwani Minda**  
Managing Director

### AUDITORS' CERTIFICATE

#### The Members of Jay Ushin Limited

We have examined the compliance of conditions of Corporate Governance by Jay Ushin Limited, Delhi for the year ended on March 31, 2007, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited, Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, subject to the fact that the number of independent directors on the Board of the Company is only 4, whereas the requirement of number of independent directors is 4.5 as per Clause 49 I(A) of the Listing Agreement, since the Chairman of the Board is an executive director, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for MAHESHWARI & ASSOCIATES  
Chartered Accountants

Place : Gurgaon  
Date : August 30, 2007

**BIJAY MURMURIA**  
Partner  
Membership No. 55788

ANNEXURE-II TO THE DIRECTORS' REPORT  
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EX-  
CHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY**

The Company is taking power from Maruti Udyog Limited, which is gas based. It is of better quality & uninterrupted. This has resulted in the better quality and lower breakdowns in injection moulding of components.

**B. POWER & FUEL CONSUMPTION**

|                             | <u>Current Year</u> | <u>Previous Year</u> |
|-----------------------------|---------------------|----------------------|
| <b>1. Electricity</b>       |                     |                      |
| <b>a) Purchased</b>         |                     |                      |
| Unit (kwh)                  | 3632805             | 2651525              |
| Total Amount (Rs. in Lakhs) | 220.66              | 127.84               |
| Rate/Unit (Rs.)             | 6.07                | 4.82                 |
| <b>b) Own Generation</b>    |                     |                      |
| Through diesel generator    |                     |                      |
| Unit (kwh)                  | 79435               | 26475                |
| Unit per liter of diesel    | 2.75                | 2.75                 |
| Cost /Unit (Rs.)            | 12.00               | 12.90                |

**2. Consumption per unit of production**

The Company is producing more than 250 auto components for which the equipments are common. Therefore, it is not possible to give the consumption of electricity per unit of production of various components.

**C. RESEARCH & DEVELOPMENT (R & D)**

The Company is manufacturing various auto components as per specifications of customers and technical know-how provided by our collaborators.

**D. TECHNOLOGY ABSORPTION****1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation**

The technology to the extent received has been /is being absorbed and indigenised.

**2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**

The technology received is being utilised for production of new products.

The Company is continuously doing indigenisation of various components as an import substitution in order to fulfill the demand of the customers for price reduction.

**3. Technology imported during the last 5 years :-**

| S.No. | Item   | Collaboration                       | Year    |
|-------|--|-------------------------------------|---------|
| 1.    | Lock Key Sets and components for car model code named TBI of Hyundai Motor India Ltd.  | Shinchang Electrics Co. Ltd., Korea | 2003-04 |
| 2.    | Key Sets, Door Latches Head Lamp Leveling Switch, Back Door Opener Switch & Heater Control Assembly for car model code named YN4 of Maruti Udyog Limited | U-shin Limited, Japan               | 2005-06 |
| 3.    | Door latches for car model code named YY4, YV4, YL6, YM1 Minor and YC5 of Maruti Udyog Limited   | U-shin Limited, Japan               | 2006-07 |

**4. If not fully absorbed, area where this has not taken place, reasons therefore and future plans of action**

The Company has absorbed the above technology.

**E. FOREIGN EXCHANGE EARNINGS & OUTGO**

Particulars with regard to Foreign exchange earnings and outgo are set out in Additional informations in Schedule XII to the Accounts.

For and on behalf of the Board

Place : Gurgaon  
Date : August 30, 2007

**J. P. Minda**  
Chairman

**AUDITORS' REPORT**

To

The Members of Jay Ushin Limited,

1. We have audited the attached Balance Sheet of Jay Ushin Limited as at March 31, 2007, Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to vide paragraph 3 above, we report that: -
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit *subject to note no 4 & 6 of schedule XII*;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
  - (iv) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (v) On the basis of written representations received from the Directors as on March 31, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;
5. In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with notes thereon and subject to our comments in para 4(i) above give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
  - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
  - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for **MAHESHWARI & ASSOCIATES**  
Chartered Accountants

Place : Gurgaon  
Date : August 30, 2007

**BIJAY MURMURIA**  
Partner  
Membership No. 55788

## ANNEXURE TO THE AUDITORS' REPORT

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.  
c) There is no substantial disposal of fixed assets during the year.
- ii) a) The company has not granted any loans, secured or un- secured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. As such Clauses (iii) (b) to (d) of the Order are not applicable to the Company.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The Company had taken unsecured loan from two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.147.98 lakhs and the balance outstanding as on March 31, 2007 was Rs.131.16 lakhs  
e) No interest is payable on the above said unsecured loans and the terms and conditions on which they have been taken are not, prima facie, prejudicial to the interest of the Company.  
f) The above said unsecured loans were taken against lease of equipment by the Company to the other two Companies. The lease rent payable by them is adjusted to the unsecured loan regularly.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that:  
a) the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and  
b) the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been maintained.
- ix) a) According to the records of the Company, the Company is generally regular in depositing statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues as applicable to it with the appropriate authorities.  
b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess as at March 31, 2007 which have not been deposited on account of any dispute are stated below:

| Name of the Statute      | Nature of the Dues | Amount Rs. in Lakhs | Period to which the amount relates | Forum where dispute is pending                    |
|--------------------------|--------------------|---------------------|------------------------------------|---|
| Finance Act, 1994        | Service tax        | 0.43                | 2004-05                            | Assistant Commissioner Service tax D-III, Gurgaon |
| Central Excise Act, 1944 | Interest           | 10.43               | Apr. 02 to Feb. 07                 | Commissioner Central Excise Delhi -III, Gurgaon   |

- x) As per the books of account, the Company has neither accumulated loss as at March 31, 2007 nor it has incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- xi) Based on our audit and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank. The Company does not have any debentures outstanding as on March 31, 2007.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clauses (xiii)(a) to (xiii)(d) of the Order are not applicable to the Company.
- xiv) As informed and explained to us, the Company has not dealt / traded in shares, securities, debentures and other investments during the year.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi) According to the information & explanations given to us, Term loan outstanding as on 31.3.2007 was utilised for the purpose it was availed and the company has not raised any term loan during the year.
- xvii) On the basis of review of utilization of funds on overall basis, related information as gathered, made available to us by the management, we are of the opinion that **funds raised on short-term basis have been applied for long term investments.**
- xviii) On the basis of information received from the management and on our examination of records we report that the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
- xix) The Company did not have any debentures outstanding during the year.
- xx) The Company has not raised any money through public issue during the year.
- xxi) During the course of examination of books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

for **MAHESHWARI & ASSOCIATES**  
Chartered Accountants

Place : Gurgaon  
Date : August 30, 2007

**BIJAY MURMURIA**  
Partner  
Membership No. 55788

**BALANCE SHEET AS AT MARCH 31, 2007**

| PARTICULARS   | SCHEDULE | <u>MARCH 31, 2007</u> | <u>MARCH 31, 2006</u> |
|---|----------|-----------------------|-----------------------|
|   |          | Rs.                   | Rs.                   |
| <b><u>SOURCES OF FUNDS</u></b>                        |          |                       |                       |
| <b>A. <u>SHAREHOLDER'S FUNDS</u></b>                  |          |                       |                       |
| SHARE CAPITAL   | I        | 38645000              | 38645000              |
| RESERVE AND SURPLUS                                   | II       | 86527157              | 77179525              |
| TOTAL (A)   |          | 125172157             | 115824525             |
| <b>B. <u>LOAN FUNDS</u></b>                           |          |                       |                       |
| SECURED LOANS   | III      | 134161911             | 168180916             |
| UNSECURED LOANS                                       | IV       | 71300630              | 63043766              |
| TOTAL (B)   |          | 205462541             | 231224682             |
| <b>C. <u>CREDITORS FOR FINANCE LEASE</u></b>          |          |                       |                       |
|   |          | 0                     | 1226088               |
| <b>D. <u>DEFERRED TAX LIABILITY (NET)</u></b>         |          |                       |                       |
|   |          | 33084707              | 23866826              |
| <b>TOTAL</b>  |          | <b>363719405</b>      | <b>372142121</b>      |
| <b><u>APPLICATION OF FUNDS</u></b>                    |          |                       |                       |
| <b>A. <u>FIXED ASSETS</u></b>                         |          |                       |                       |
| GROSS BLOCK   | V        | 554383091             | 498132164             |
| LESS : DEPRECIATION                                   |          | 177373171             | 159312372             |
|   |          | 377009920             | 338819792             |
| ADD: CAPITAL WORK IN PROGRESS                         |          | 61254473              | 20593041              |
| TOTAL (A)   |          | 438264393             | 359412833             |
| <b>B. <u>INVESTMENT</u></b>                           |          |                       |                       |
|   | VI       | 600000                | 600000                |
| <b>C. <u>CURRENT ASSETS</u></b>                       |          |                       |                       |
| INVENTORY   | VII      | 168787854             | 81328767              |
| SUNDRY DEBTORS  |          | 132373452             | 113184333             |
| CASH & BANK BALANCES                                  |          | 14924368              | 15911506              |
| LOANS & ADVANCES                                      |          | 80657451              | 68021306              |
|   |          | 396743125             | 278445912             |
| <b>D. <u>CURRENT LIABILITIES &amp; PROVISIONS</u></b> |          |                       |                       |
| CURRENT LIABILITIES                                   | VIII     | 429885827             | 226086690             |
| PROVISIONS  |          | 42002286              | 40229934              |
|   |          | 471888113             | 266316624             |
| <b>E. <u>NET CURRENT ASSETS (C-D)</u></b>             |          |                       |                       |
|   |          | -75144988             | 12129288              |
| <b>TOTAL</b>  |          | <b>363719405</b>      | <b>372142121</b>      |
| <b>NOTES TO ACCOUNTS</b>                              |          |                       |                       |
|   | XII      |                       |                       |

AS PER OUR REPORT OF EVEN DATE ATTACHED  
MAHESHWARI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)

PLACE : GURGAON  
DATED : AUGUST 30, 2007

BIJAY MURMURIA  
PARTNER  
MEMBERSHIP NO. 55788

S.K.AGARWAL  
G. M. (FINANCE)

ASHWANI MINDA  
MANAGING DIRECTOR

J. P. MINDA  
CHAIRMAN

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007**

| PARTICULARS                           | SCHEDULE  | <u>MARCH 31, 2007</u> | <u>MARCH 31, 2006</u> |
|---------------------------------------|-----------|-----------------------|-----------------------|
|                                       |           | Rs.                   | Rs.                   |
| <b><u>INCOME</u></b>                  |           |                       |                       |
| GROSS SALES                           |           | 1785841364            | 1211557800            |
| LESS : EXCISE DUTY                    |           | 254078443             | 173051363             |
| NET SALES                             |           | 1531762921            | 1038506437            |
| RENT                                  |           | 19130922              | 13608809              |
| OTHER INCOME                          | <b>IX</b> | 8553875               | 4079254               |
|                                       |           | <b>1559447718</b>     | <b>1056194500</b>     |
| <b><u>EXPENDITURE</u></b>             |           |                       |                       |
| MANUFACTURING & OTHER EXPENSES        | <b>X</b>  | 1471631542            | 986771100             |
| FINANCE CHARGES                       | <b>XI</b> | 21367532              | 19256288              |
|                                       |           | 1492999074            | 1006027388            |
| PROFIT BEFORE DEPRECIATION            |           | 66448644              | 50167112              |
| DEPRECIATION                          |           | 41346585              | 31308515              |
| PROFIT FOR THE YEAR BEFORE INCOME TAX |           | 25102059              | 18858597              |
| PROVISION FOR TAXATION                |           |                       |                       |
| - INCOME TAX                          | 7575375   |                       | 2474323               |
| - FRINGE BENEFIT TAX                  | 1635791   |                       | 2452070               |
| - DEFERRED TAX LIABILITY (NET)        | 9217881   | 18429047              | 1624624               |
|                                       |           |                       | 6551017               |
| NET PROFIT FOR THE YEAR               |           | 6673012               | 12307580              |
| DIVIDEND                              |           | 3864500               | 3864500               |
| TAX ON DIVIDEND                       |           | 656772                | 541996                |
| PROFIT AFTER TAX & DIVIDEND           |           | 2151740               | 7901084               |
| PROFIT BROUGHT FORWARD FROM LAST YEAR |           | 48890050              | 40988966              |
| BALANCE CARRIED TO BALANCE SHEET      |           | 51041790              | 48890050              |
| EARNING PER SHARE (BASIC & DILUTED)   |           | 1.73                  | 3.18                  |

**NOTES TO ACCOUNTS****XII**

AS PER OUR REPORT OF EVEN DATE ATTACHED  
MAHESHWARI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)

PLACE : GURGAON  
DATED : AUGUST 30, 2007

BIJAY MURMURIA  
PARTNER  
MEMBERSHIP NO. 55788

S.K.AGARWAL  
G. M. (FINANCE)

ASHWANI MINDA  
MANAGING DIRECTOR

J. P. MINDA  
CHAIRMAN

**MARCH 31, 2007**  
Rs.

**MARCH 31, 2006**  
Rs.

**SCHEDULE - I**

**SHARE CAPITAL**

**AUTHORISED**

50,00,000 EQUITY SHARES OF RS. 10/- EACH 50000000 50000000  
(PREVIOUS YEAR 50,00,000 EQUITY SHARES OF RS. 10/- EACH)

**ISSUED SUBSCRIBED & PAID UP**

38,64,500 EQUITY SHARES OF RS.10/- EACH FOR CASH 38645000 38645000  
(PREVIOUS YEAR 38,64,500 EQUITY SHARES OF RS.10/- EACH FOR CASH) **38645000** **38645000**

**SCHEDULE - II**

**RESERVE & SURPLUS**

**GENERAL RESERVE**

- AS PER LAST BALANCE SHEET 6889000 6889000  
- REFUND OF PENALTY BY EXCISE DEPARTMENT 6889000 3889000

SHARE PREMIUM ACCOUNT 28596367 21400475

**PROFIT & LOSS ACCOUNT**

51041790 48890050  
**86527157** **77179525**

**SCHEDULE - III**

**SECURED LOANS**

a) FROM FINANCIAL INSTITUTIONS/BANKS  
- RUPEE TERM LOAN FROM KOTAK MAHINDRA BANK LTD. 6858056 8817500  
- RUPEE TERM LOAN FROM STANDARD CHARTERED BANK 54867422 72680759  
b) WORKING CAPITAL LOANS FROM BANKS  
- PURCHASE ORDERS DISCOUNTED 49902774 60000000  
- CASH CREDIT / OVERDRAFT 21326913 24049318  
c) CAR LOANS FROM BANKS 1206746 2633339  
**134161911** **168180916**

**SCHEDULE - IV**

**UN SECURED LOANS**

FROM BODY CORPORATES 68215888 60898456  
INTEREST ACCRUED AND DUE 3084742 2145310  
**71300630** **63043766**

**NOTES:**

- RUPEE TERM LOANS FROM KOTAK MAHINDRA BANK LIMITED & STANDARD CHARTERED BANK ARE SECURED / TO BE SECURED BY WAY OF EQUITABLE MORTGAGE OF IMMOVABLE PROPERTIES OF THE COMPANY AND FIRST CHARGE BY WAY OF HYPOTHECATION OF ALL MOVEABLE AND IMMOVABLE ASSETS OF THE COMPANY, BOTH PRESENT AND FUTURE (SAVE AND EXCEPT CURRENT ASSETS OF THE COMPANY CHARGED IN FAVOUR OF COMPANY'S BANKERS TOWARDS SECURITY FOR WORKING CAPITAL FACILITIES). THE RUPEE TERM LOANS ARE ALSO SECURED BY SECOND CHARGE ON THE CURRENT ASSETS OF THE COMPANY AND PERSONAL GUARANTEES OF PROMOTER - DIRECTORS MR. J. P. MINDA, MR. ANIL MINDA AND MR. ASHWANI MINDA.
- WORKING CAPITAL LOANS FROM BANKS ARE SECURED BY WAY OF HYPOTHECATION OF ALL THE COMPANY'S CURRENT ASSETS, BOTH PRESENT AND FUTURE. THESE LOANS ARE FURTHER SECURED BY SECOND CHARGE ON ALL FIXED ASSETS OF THE COMPANY (EXCEPT VEHICLES) AND PERSONAL GUARANTEES OF PROMOTER - DIRECTORS MR. J.P.MINDA, MR. ANIL MINDA AND MR. ASHWANI MINDA.

**SCHEDULE V**

**FIXED ASSETS**

(Amount in Rs.)

| PARTICULARS                                  | GROSS BLOCK         |                  |                 |                     | DEPRECIATION        |                 |                 |                   | NET BLOCK           |                     |
|--|---------------------|------------------|-----------------|---------------------|---------------------|-----------------|-----------------|-------------------|---------------------|---------------------|
|  | AS AT<br>01.04.2006 | ADDITIONS        | DELETION        | AS AT<br>31.03.2007 | AS AT<br>01.04.2006 | ADDITIONS       | DELETIONS       | UPTO<br>31.3.2007 | AS AT<br>31.03.2007 | AS AT<br>31.03.2006 |
| <b>A. OWNED ASSETS</b>                       |                     |                  |                 |                     |                     |                 |                 |                   |                     |                     |
| <b>i) TANGIBLE ASSETS</b>                    |                     |                  |                 |                     |                     |                 |                 |                   |                     |                     |
| FREEHOLD LAND                                | 48302574            | 0                | 0               | 48302574            | 0                   | 0               | 0               | 0                 | 48302574            | 48302574            |
| LEASEHOLD LAND                               | 9509275             | 0                | 0               | 9509275             | 0                   | 0               | 0               | 0                 | 9509275             | 9509275             |
| BUILDING                                     | 77244782            | 8694772          | 0               | 85939554            | 15285921            | 2728402         | 0               | 18014323          | 67925231            | 61958861            |
| PLANT & MACHINERY                            | 180242731           | 41994919         | 38292895        | 183944755           | 78506934            | 16007903        | 18784622        | 75730215          | 108214540           | 101735797           |
| DIES   | 121956409           | 69538686         | 37473649        | 154021446           | 41561415            | 15771925        | 3956980         | 53376360          | 100645086           | 80394994            |
| FURNITURE & FIXTURE                          | 4400823             | 1311733          | 372373          | 5340183             | 2132268             | 312998          | 26810           | 2418456           | 2921727             | 2268555             |
| OFFICE EQUIPMENT                             | 8972442             | 583726           | 0               | 9556168             | 2943579             | 404982          | 0               | 3348561           | 6207607             | 6028863             |
| VEHICLES                                     | 14438167            | 2001787          | 1061042         | 15378912            | 4715565             | 1196889         | 507406          | 5405048           | 9973864             | 9722602             |
| TEMPORARY STRUCTURE                          | 589739              | 668760           | 0               | 1258499             | 589739              | 390111          | 0               | 979850            | 278649              | 0                   |
| COMPUTER                                     | 1611975             | 2459979          | 72546           | 3999408             | 108570              | 428897          | 9968            | 527499            | 3471909             | 1503405             |
|  | <b>467268917</b>    | <b>127254362</b> | <b>77272505</b> | <b>517250774</b>    | <b>145843991</b>    | <b>37242107</b> | <b>23285786</b> | <b>159800312</b>  | <b>357450462</b>    | <b>321424926</b>    |
| <b>ii) INTANGIBLE ASSETS</b>                 |                     |                  |                 |                     |                     |                 |                 |                   |                     |                     |
| TECHNICAL FEE                                | 9940422             | 6269070          | 0               | 16209492            | 3714052             | 1715411         | 0               | 5429463           | 10780029            | 6226370             |
| <b>TOTAL - A</b>                             | <b>477209339</b>    | <b>133523432</b> | <b>77272505</b> | <b>533460266</b>    | <b>149558043</b>    | <b>38957518</b> | <b>23285786</b> | <b>165229775</b>  | <b>368230491</b>    | <b>327651296</b>    |
| <b>B. DIES AND MOULDS ON LEASE FINANCING</b> | 20922825            | 0                | 0               | 20922825            | 9754329             | 2389067         | 0               | 12143396          | 8779429             | 11168496            |
| <b>TOTAL - (A+B)</b>                         | <b>498132164</b>    | <b>133523432</b> | <b>77272505</b> | <b>554383091</b>    | <b>159312372</b>    | <b>41346585</b> | <b>23285786</b> | <b>177373171</b>  | <b>377009920</b>    | <b>338819792</b>    |
| CAPITAL WORK IN PROGRESS                     | 20593041            | 49356204         | 8694772         | 61254473            | 0                   | 0               | 0               | 0                 | 61254473            | 20593041            |
| <b>TOTAL</b>                                 | <b>518725205</b>    | <b>182879636</b> | <b>85967277</b> | <b>615637564</b>    | <b>159312372</b>    | <b>41346585</b> | <b>23285786</b> | <b>177373171</b>  | <b>438264393</b>    | <b>359412833</b>    |
| PREVIOUS YEAR                                | 393296914           | 134378229        | 8949938         | 518725205           | 128053935           | 31308515        | 50078           | 159312372         | 359412833           |                     |

# Ju-shin

# JAY USHIN LTD.

|  | <u>MARCH 31, 2007</u> | <u>MARCH 31, 2006</u> |
|--|-----------------------|-----------------------|
|  | Rs.                   | Rs.                   |
| <b>SCHEDULE - VI</b>   |                       |                       |
| <b><u>INVESTMENT (LONG TERM)</u></b>                                       |                       |                       |
| 60000 EQUITY SHARES (UNQUOTED) OF RS. 10/- EACH AT PAR IN INAPEX PVT. LTD. | 600000                | 600000                |
| <b>SCHEDULE - VII</b>  |                       |                       |
| <b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>                         |                       |                       |
| <b><u>INVENTORIES</u></b>  |                       |                       |
| (AT LOWER OF COST OR NET REALISABLE VALUE)                                 |                       |                       |
| RAW MATERIAL & COMPONENTS  | 145554403             | 64527831              |
| WORK IN PROCESS  | 560993                | 513163                |
| FINISHED GOODS   | 11321275              | 9208166               |
| STORES & SPARES  | 480680                | 316785                |
| MATERIAL IN TRANSIT  | 10870503              | 6762822               |
|  | <u>168787854</u>      | <u>81328767</u>       |
| <b><u>SUNDRY DEBTORS</u></b>   |                       |                       |
| (UNSECURED -CONSIDERED GOOD)   |                       |                       |
| OUTSTANDING NOT EXCEEDING SIX MONTHS                                       | 128290701             | 111897358             |
| OUTSTANDING OVER SIX MONTHS  | 4082751               | 1286975               |
|  | <u>132373452</u>      | <u>113184333</u>      |
| <b><u>CASH &amp; BANK BALANCES</u></b>                                     |                       |                       |
| CASH IN HAND   | 410912                | 127623                |
| <b><u>WITH SCHEDULED BANKS</u></b>   |                       |                       |
| - IN CURRENT ACCOUNTS  | 681539                | 182385                |
| - IN FIXED DEPOSIT ACCOUNTS (UNDER PLEDGE)                                 | 13831917              | 15601498              |
|  | <u>14924368</u>       | <u>15911506</u>       |
| <b><u>LOANS &amp; ADVANCES</u></b>   |                       |                       |
| (UNSECURED CONSIDERED GOOD)  |                       |                       |
| ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED        | 80657451              | 68021306              |
|  | <u>396743125</u>      | <u>278445912</u>      |
| <b>SCHEDULE - VIII</b>   |                       |                       |
| <b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>                         |                       |                       |
| <b><u>CURRENT LIABILITIES</u></b>  |                       |                       |
| SUNDRY CREDITORS - OTHERS  | 410716221             | 213475175             |
| OTHER LIABILITIES  | 19169606              | 12611515              |
|  | <u>429885827</u>      | <u>226086690</u>      |
| <b><u>PROVISIONS</u></b>   |                       |                       |
| GRATUITY   | 129315                | 2133965               |
| E.L.ENCASHMENT   | 2056949               | 1989000               |
| BONUS  | 451719                | 479950                |
| ROYALTY  | 11745031              | 8888876               |
| INCOME TAX   | 23098000              | 22331647              |
| PROPOSED DIVIDEND  | 3864500               | 3864500               |
| TAX ON PROPOSED DIVIDEND   | 656772                | 541996                |
|  | <u>42002286</u>       | <u>40229934</u>       |
|  | <u>471888113</u>      | <u>266316624</u>      |
| <b>SCHEDULE - IX</b>   |                       |                       |
| <b><u>OTHER INCOME</u></b>   |                       |                       |
| JOB WORK - EXPORT  | 22827                 | 12275                 |
| DIVIDEND RECEIVED  | 90000                 | 90000                 |
| INSURANCE CLAIM  | 134564                | 0                     |
| INTEREST (INCLUDING TDS RS.214438, PREVIOUS YEAR RS.211493)                | 993756                | 1271213               |
| LEASE RENT RECEIVED  | 1617864               | 1301193               |
| SUNDRY BALANCES WRITTEN BACK   | 378905                | 164383                |
| FLUCTUATION EXCHANGE RATE  | 1023225               | 1168060               |
| PROFIT ON SALE OF FIXED ASSETS   | 2940940               | 72130                 |
| PROVISIONS WRITTEN BACK  | 944046                | 0                     |
| MISC. INCOME   | 407748                | 0                     |
|  | <u>8553875</u>        | <u>4079254</u>        |

**SCHEDULE - X****MANUFACTURING AND OTHER EXPENSES**

|  |                          |                         |
|--|--------------------------|-------------------------|
| PURCHASE OF TRADING GOODS                                | 419915                   | 1155506                 |
| RAW MATERIAL & COMPONENTS CONSUMED                       | 1121523035               | 746949618               |
| OTHER MANUFACTURING EXPENSES                             | 117676812                | 74916425                |
| POWER & FUEL   | 23681999                 | 13285063                |
| SALARY,WAGES & BONUS                                     | 95325980                 | 73191267                |
| CONTRIBUTION TO PROVIDENT FUND & ESI                     | 2606843                  | 2177365                 |
| WORKMEN AND STAFF WELFARE EXPENSES                       | 9824444                  | 8345250                 |
| REPAIR AND MAINTENANCE :                                 |                          |                         |
| - MACHINERY  | 11095026                 | 7030224                 |
| - BUILDING   | 2945017                  | 2195490                 |
| - VEHICLES   | 2742531                  | 2022757                 |
| - MOTOR CARS   | 2355105                  | 1654129                 |
| - OTHER THAN MOTOR CARS                                  | <u>387426</u>            | <u>368628</u>           |
| - OTHERS   | 2566494                  | 1621419                 |
| INSURANCE  | 1728937                  | 1404201                 |
| LEGAL & PROFESSIONAL                                     | 1956272                  | 3594975                 |
| TRAVELLING & CONVEYANCE                                  | 38195076                 | 25016265                |
| PRINTING & STATIONERY                                    | 1998311                  | 1799345                 |
| COMMUNICATION  | 3046009                  | 2519220                 |
| FEES & SUBSCRIPTION                                      | 9777342                  | 1523224                 |
| SALES EXPENSES   | 13049669                 | 8716913                 |
| ROYALTY  | 11745031                 | 9784886                 |
| OTHER EXPENSES   | 1887738                  | 1446076                 |
|  | <u>1473792481</u>        | <u>988695489</u>        |
| INCREASE /DECREASE IN FINISHED GOODS AND WORK IN PROCESS |                          |                         |
| OPENING STOCKS   |                          |                         |
| FINISHED GOODS (INCLUDING TRADING)                       | 9208166                  | 7309644                 |
| WORK IN PROCESS  | <u>513163</u>            | <u>487296</u>           |
| CLOSING STOCKS   |                          |                         |
| FINISHED GOODS (INCLUDING TRADING)                       | 11321275                 | 9208166                 |
| WORK IN PROCESS  | <u>560993</u>            | <u>513163</u>           |
|  | <u>-2160939</u>          | <u>-1924389</u>         |
|  | <b><u>1471631542</u></b> | <b><u>986771100</u></b> |

**SCHEDULE - XI****FINANCE CHARGES**

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| BANK INTEREST & CHARGES     | 6503690         | 5375620         |
| INTEREST ON SECURED LOANS   | 5910977         | 4746976         |
| INTEREST ON UNSECURED LOANS | 2758422         | 2766000         |
| INTEREST ON LEASE FINANCING | 60360           | 347120          |
| INTEREST ON OTHERS          | 163352          | 570411          |
| LEASE RENT                  | 171465          | 825176          |
| CASH DISCOUNT               | 5799266         | 4624985         |
|                             | <u>21367532</u> | <u>19256288</u> |

**SCHEDULE XII****SIGNIFICANT ACCOUNTING POLICIES, NOTES TO THE ACCOUNTS AND ADDITIONAL INFORMATIONS:****A. SIGNIFICANT ACCOUNTING POLICIES :****1. GENERAL**

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**2. FIXED ASSETS****a) OWNED ASSESTS****i) TANGIBLE ASSETS**

Fixed Asset are recorded at cost of acquisition inclusive of relevant levies and transportation expenses. They are stated at historical cost. Expenditure incurred on projects is capitalised and apportioned amongst the various assets.

**ii) INTANGIBLE ASSETS**

The Company capitalises the technical fee paid to the foreign collaborators at cost, which is depreciated on the rates applicable on plant & machinery.

**b) ASSETS TAKEN ON FINANCE LEASE**

On or after April 1, 2001, the fixed assets taken on finance lease are stated at cost and lease payments are apportioned between finance charges and reduction of outstanding liability.

**c) IMPAIRMENT OF ASSETS**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

**3. DEPRECIATION**

Depreciation on Fixed Assets has been provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 and on additions during the year, on pro-rata basis with reference to the month of addition.

**4. TAXATION**

Current tax represents the amount of tax payable in respect of taxable income for the period. Deferred tax liability represents the tax in respect of difference between taxable and accounting income which originate in one period and are capable of reversal in one or more subsequent periods.

**5. INVENTORIES**

Inventories are valued on the following basis:

|                         |   |  |
|-------------------------|---|--|
| Raw Material            | : | At cost or net realisable value, whichever is lower                            |
| Finished goods          | : | At cost or net realisable value (inclusive of excise duty), whichever is lower |
| Work in Process         | : | At estimated cost  |
| Stores and Spares       | : | At cost  |
| Raw Material in Transit | : | To the extent paid for   |

**6. RECOGNITION OF INCOME AND EXPENDITURE**

All incomes and expenditure are accounted for on accrual basis except technical know-how fee paid to foreign financial/ technical collaborators and incidental expenses thereto which are accounted for in the year of payment.

**7. INVESTMENT**

Long term investments are valued at cost. The diminution in the market value of such investments is not recognised unless it is considered permanent in nature. Current investments are valued at cost or market value, whichever is lower.

**8. TRANSACTIONS IN FOREIGN CURRENCIES**

- a) Transactions are recorded at the exchange rates prevailing on the date of the transaction.
- b) Foreign Currency designated assets, liabilities and capital commitments are restated at the year end rates.
- c) The exchange differences are adjusted to :
  - i) Carrying cost of fixed assets, if they relate to fixed assets and
  - ii) Profit and Loss accounts in other cases.

**9. RETIREMENT BENEFITS**

- a) Contribution to Provident and Family Pension Funds are funded as a percentage of salary /wages.

- b) As the Company has taken Group gratuity policy from Life Insurance Corporation of India, the provision in the books is made towards liability as per valuation by Life Insurance Corporation of India. Leave encashment liability is provided for on the basis of actuarial valuation.

## 10. BORROWING COSTS

Borrowing Costs attributable to the acquisition of fixed assets are capitalised as part of the cost of acquisition. Other borrowing costs are charged to Profit & Loss Account.

## 11. PROVISIONS & CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes.

## B. NOTES TO ACCOUNTS

|    |  | (Rs. in Lakhs)      |                      |
|----|--|---------------------|----------------------|
|    |  | <u>Current Year</u> | <u>Previous Year</u> |
| 1. | Estimated value of Contracts remaining to be executed on Capital Account (net of advances) and not provided for. | 14.34               | 64.12                |
| 2. | Contingent Liabilities not provided for in respect of  |                     |                      |
| a) | Claims made against Company not acknowledged as debts (suits filed against the Company).                         | 14.98               | 14.98                |
| b) | Letters of credit issued by bank on behalf of the Company outstanding at the end of the year.                    | 87.02               | 117.47               |
| c) | Guarantees issued on behalf of the Company outstanding at the end of the year.                                   | 1.87                | 0.20                 |
| d) | Central Excise/Service tax demands pending in appeals / Show cause notices (Net of deposit)                      | 10.86               | 0.93                 |
| e) | Lease rent outstanding (not due)   | 0.00                | 1.29                 |

The management is confident that the cases referred to above at a and d shall be decided in favour of the Company.

3. The amount of dues in respect to Sundry Creditors pertaining to Small Scale Industrial undertakings is not readily ascertainable.
4. The Company does not have a whole time Company Secretary as required by Section 383A of the Companies Act, 1956.
5. Current year sales includes sale of Design and Development of Rs.210 Lakhs (Net).
6. Certain debit and credit balances are subject to confirmation.
7. In the opinion of the Management, the Current Assets, Loans and Advances shall have a value on realisation in the ordinary course of business atleast equal to the amount on which they are stated in the Balance Sheet.

## 8. REMUNERATION TO DIRECTORS

|    |                            | (Rs.in Lakhs)       |                      |
|----|----------------------------|---------------------|----------------------|
|    |                            | <u>Current Year</u> | <u>Previous Year</u> |
| a) | Salary                     | 51.63               | 51.36                |
| b) | Sitting Fees               | 0.58                | 0.63                 |
| c) | Value of other perquisites | 2.17                | 2.44                 |
|    | <b>Total</b>               | <b><u>54.38</u></b> | <b><u>54.43</u></b>  |

## 9. REMUNERATION TO AUDITORS

|    |   |                    |                    |
|----|---|--------------------|--------------------|
| a) | Statutory Audit                         | 0.80               | 0.60               |
| b) | Tax Audit                               | 0.15               | 0.15               |
| c) | Other services                          | 0.28               | 0.28               |
| d) | Reimbursement of service tax            | 0.15               | 0.10               |
| e) | Reimbursement of out of pocket Expenses | 0.30               | 0.30               |
|    | <b>Total</b>                            | <b><u>1.68</u></b> | <b><u>1.43</u></b> |

In line with the Accounting Standard AS-2 prescribed by the Institute of Chartered Accountants of India, the Company has provided excise duty on finished goods amounting to Rs.13.58 lakhs (Rs.11.67 lakhs) at the year end. However, there is no resultant impact on profit for the year.

## 10. SEGMENT INFORMATION

As per Accounting standard AS-17 issued by the Institute of Chartered Accountants of India, the Company has only one reportable segment of business.

**11. RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD AS-18 ARE AS FOLLOW**

- a) **JOINT VENTURE COMPANY** U-shin Limited, Japan
- b) **ASSOCIATES** Anu Industries Limited  
 JNS Instruments Limited  
 JPM Tools Limited  
 JPM Automobiles Limited  
 Jay Autocomponents Limited  
 JNJ Electronics Limited  
 Janasis Infotech Limited  
 Jay Iron & Steels Limited  
 Nalhati Food Products Pvt. Limited  
 JPM Farms Pvt. Ltd.  
 Anu Auto Industries, Delhi  
 Moulder & Fabricators, Delhi  
 Modern Engg. Works, Delhi  
 Jushin Enterprises, Kathua  
 Jaycon Engineers, Kathua
- c) **KEY MANAGEMENT PERSONNEL** Mr. J. P. Minda  
 Mr. Anil Minda  
 Mr. Ashwani Minda  
 Mr. Yukichi Harada

d) Transactions with related parties (Rs. in Lakhs)

|   | <b>Joint<br/>Venture</b> | <b>Associates</b>    | <b>Promoters/ Key<br/>Managerial<br/>personnel</b> |
|---|--------------------------|----------------------|--|
| Purchase of Raw Materials, Components, Consumables & fixed assets                 | -                        | 5350.67<br>(2822.92) | -  |
| Job Work charges  | -                        | 895.14<br>(420.85)   | -  |
| Sale of fixed assets, goods & others  | -                        | 1532.17<br>(444.99)  | -  |
| Payment of Technical fee and expenses   | 111.60<br>(75.15)        |                      | -  |
| Payment of Royalty  | 62.96<br>(65.97)         |                      | -  |
| Payment of Dividend   | 9.66<br>(9.66)           | 2.16<br>(2.16)       | 6.76<br>(6.76)                                     |
| Rent received   | -                        | 191.31<br>(136.09)   | -  |
| Interest received   | -                        | 0.00<br>(3.27)       | -  |
| Lease rent received   |                          | 16.83<br>(13.01)     |  |
| Others  |                          | 138.00<br>(0.00)     |  |
| Outstanding balances as at March 31, 2007   |                          |                      |  |
| - Receivable  | -                        | 768.49<br>(100.72)   | -  |
| - Payable   | -                        | 1752.17<br>(562.09)  | -  |
| Remuneration to Key Management Personnel (Refer to 11c of Notes to Accounts (B) ) | -                        | -                    | 53.80<br>(53.80)                                   |

**12. ACCOUNTING OF LEASES**

In compliance of the Accounting Standard AS-19 issued by the Institute of Chartered Accountants of India, during the current year the interest on lease financing and depreciation on these assets amounting to Rs.0.60 Lakhs (Rs.3.47 Lakhs)

and Rs.23.89 Lakhs (Rs.23.89 Lakhs) respectively have been charged to Profit & Loss Account. The lease rent amounting to Rs.12.26 Lakhs (Rs.48.23 Lakhs) paid towards the Finance lease has been debited to the Creditors for Finance lease. The details of such lease rent payable are given as under :

(Rs. in Lakhs)

| As at   | Present value of Minimum Lease payments |                | Minimum Lease payments |                |
|---|---|----------------|------------------------|----------------|
|   | March 31, 2007                          | March 31, 2006 | March 31, 2007         | March 31, 2006 |
| 1) Payable not later than 1 year                        | -                                       | 12.26          | -                      | 12.86          |
| 2) Payable later than 1 year but not later than 5 years | -                                       | -              | -                      | -              |
| 3) Payable later than 5 year                            | -                                       | -              | -                      | -              |
| Total   | -                                       | 12.26          | -                      | 12.86          |
| Less : Future finance                                   | -                                       | -              | -                      | 0.60           |
| PV of minimum Lease payments                            | -                                       | -              | -                      | 12.26          |

| 13. EARNING PER SHARE                                 | <u>Current year</u> | <u>Previous Year</u> |
|---|---------------------|----------------------|
| Profit after tax as per Profit and Loss account (Rs.) | 6673012             | 12307580             |
| Number of equity shares outstanding                   | 3864500             | 3864500              |
| Earning per share (Basic and diluted ) (Rs.)          | 1.73                | 3.18                 |

#### 14. DEFERRED TAXATION

In conformity with the Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India on "Accounting for Taxes on Income", the Company as on March 31, 2007 has made provision for deferred tax liability of Rs.330.85 Lakhs (Rs.238.67 Lakhs) towards timing difference of depreciation on gross block. During the year, the net liability of Rs.92.18 Lakhs (Rs.16.25 Lakhs) on this account has been charged to Profit and loss account.

15. Current Income tax provision includes additional demand of Income tax amounting to Rs.16.34 Lakhs pertaining to earlier years.
16. In compliance with the Accounting Standard AS-28-Impairment of Assets, the Company has considered its Fixed Assets at cost of acquisition / cost of construction, less depreciation as per policy adopted by the Company and none of the assets have been revalued. Based on the internal and external sources of information available with the Company there is no impairment of Assets.

#### 17. MOVEMENT OF PROVISIONS

(Value in Rs.)

| Particulars | Opening Balance | Payment/Adjusted | Provision made | Closing Balance |
|-------------|-----------------|------------------|----------------|-----------------|
| Bonus       | 479950          | 372054           | 343823         | 451719          |
| Royalty     | 8888876         | 8888876          | 11745031       | 11745031        |

18. Previous year figures have been regrouped and rearranged wherever necessary & given in brackets.
19. Figures have been rounded off to the nearest rupee value.

### C. ADDITIONAL INFORMATION PURSUANT TO PART-II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

#### a) CAPACITY

| Capacities (Installed*)  | Unit | Year Ended<br>March 31, 2007<br>(in 000's) | Year Ended<br>March 31, 2006<br>(in 000's) |
|--------------------------|------|--|--|
| Automobile Lock Key Sets | Nos  | 2180                                       | 1580                                       |
| Door Latches             | Nos  | 3075                                       | 1275                                       |
| Heater Control Panel     | Nos  | 875  | 475  |
| Combination Switches     | Nos  | 900  | 900  |
| Other Switches           | Nos  | 4000                                       | 1420                                       |
| Striker                  | Nos  | 3000                                       | -  |
| Warning triangle         | Nos  | 300  | 300  |

\* Installed capacity being a technical matter, has not been verified by the Auditors and is as certified by the Management.

**b) PRODUCTION, SALES AND STOCKS**

**(Value : Rs. in Lakhs)**

| i) MANUFACTURING                                  | Opening |                | Production |           | Sale              |         | Closing        |        |
|---|---------|----------------|------------|-----------|-------------------|---------|----------------|--------|
|   | Qty.    | Value          | Qty.       | Qty.      | Value             | Qty.    | Value          |        |
| <b>1. Lock Sets</b>                               |         |                |            |           |                   |         |                |        |
| - 4 Wheelers                                      | 3830    | 13.63          | 870593     | 871536    | 4264.42           | 2887    | 14.10          |        |
|   | (6268)  | (20.92)        | (752940)   | (755378)  | (2893.81)         | (3830)  | (13.63)        |        |
| - 2 Wheelers                                      | 4580    | 5.19           | 1237373    | 1235965   | 1376.39           | 5988    | 9.49           |        |
|   | (2390)  | (2.35)         | (544421)   | (542231)  | (630.31)          | (4580)  | (5.19)         |        |
| Individual Locks                                  | 1940    | 2.74           | 107977     | 107818    | 177.41            | 2099    | 1.90           |        |
|   | (2777)  | (2.35)         | (71564)    | (72401)   | (77.84)           | (1940)  | (2.74)         |        |
| Lock Sets Components                              | 512     | 0.08           | 318844     | 315923    | 191.63            | 3433    | 0.43           |        |
|   | (1024)  | (3.23)         | (244042)   | (244554)  | (65.80)           | (512)   | (0.08)         |        |
| <b>2. Door Latches</b>                            |         |                |            |           |                   |         |                |        |
| Door Latches                                      | 19341   | 36.37          | 1943677    | 1943781   | 4068.07           | 19237   | 33.22          |        |
|   | (11734) | (17.67)        | (1607077)  | (1599470) | (3323.84)         | (19341) | (36.37)        |        |
| Latch Components                                  | 6846    | 1.66           | 2443211    | 2443130   | 436.59            | 6927    | 1.61           |        |
|   | (8267)  | (1.40)         | (1852544)  | (1853965) | (310.34)          | (6846)  | (1.66)         |        |
| <b>3. Switches</b>                                |         |                |            |           |                   |         |                |        |
| Combination Switch                                | 1221    | 2.48           | 358202     | 357895    | 898.44            | 1528    | 3.54           |        |
|   | (1889)  | (3.95)         | (308698)   | (309366)  | (771.21)          | (1221)  | (2.48)         |        |
| <b>Switches for :</b>                             |         |                |            |           |                   |         |                |        |
| - 4 Wheelers                                      | 12484   | 6.69           | 637770     | 646216    | 354.08            | 4038    | 3.70           |        |
|   | (10045) | (1.38)         | (598472)   | (596033)  | (299.99)          | (12484) | (6.69)         |        |
| - 2 Wheelers                                      | 22923   | 3.96           | 2545671    | 2503522   | 568.41            | 65072   | 15.00          |        |
|   | (4714)  | (1.18)         | (1843537)  | (1825328) | (399.15)          | (22923) | (3.96)         |        |
| <b>4. Knob Glove Box and Cover Steering Joint</b> | 3800    | 0.40           | 62296      | 66065     | 5.36              | 31      | 0.05           |        |
|   | (3458)  | (0.40)         | (155094)   | (154752)  | (20.30)           | (3800)  | (0.40)         |        |
| <b>5. Heater Control Panel</b>                    |         |                |            |           |                   |         |                |        |
| Heater Control Panel                              | 232     | 0.81           | 399266     | 397915    | 1276.18           | 1583    | 4.12           |        |
|   | (184)   | (1.89)         | (171144)   | (171096)  | (742.18)          | (232)   | (0.81)         |        |
| Lever Heater Control                              | 446     | 0.34           | 29994      | 30258     | 35.55             | 182     | 0.18           |        |
|   | (785)   | (0.53)         | (54315)    | (54654)   | (43.29)           | (446)   | (0.34)         |        |
| Panel   | 1775    | 5.81           | 132227     | 132677    | 492.33            | 1325    | 5.80           |        |
|   | (1778)  | (6.40)         | (124784)   | (124787)  | (252.82)          | (1775)  | (5.81)         |        |
| Panel Components                                  | 2236    | 0.71           | 72669      | 69652     | 61.45             | 5253    | 2.87           |        |
|   | (1798)  | (0.43)         | (158346)   | (157908)  | (65.97)           | (2236)  | (0.71)         |        |
| <b>6. Others</b>                                  | 0       | 2.32           | 0          | 0         | 1106.91           | 0       | 0.00           |        |
|   |         | (0.04)         |            |           | (481.67)          |         | (2.32)         |        |
| <b>Total (i)</b>                                  |         | <b>83.19</b>   |            |           | <b>15313.22</b>   |         | <b>96.01</b>   |        |
|   |         | (64.12)        |            |           | (10378.52)        |         | (83.19)        |        |
| <b>ii) TRADING</b>                                | Opening |                | Purchase   |           | Sale              |         | Closing        |        |
|   | Qty.    | Value          | Qty.       | Value     | Qty               | Value   | Qty.           | Value  |
| <b>1. Currency Counting Machines</b>              | 137     | 8.89           | 20         | 4.20      | 29                | 4.41    | 128            | 17.20  |
|   | (70)    | (8.98)         | (100)      | (11.56)   | (33)              | (6.54)  | (137)          | (8.89) |
| <b>Total (i) + (ii)</b>                           |         | <b>92.08</b>   |            |           | <b>15317.63</b>   |         | <b>113.21</b>  |        |
|   |         | <b>(73.10)</b> |            |           | <b>(10385.06)</b> |         | <b>(92.08)</b> |        |

c) CONSUMPTION OF RAW MATERIAL AND COMPONENTS

(Value : Rs.in Lakhs)

| Description            | Current year |                 | Previous year |                |
|------------------------|--------------|-----------------|---------------|----------------|
|                        | Qty (MT)     | Value           | Qty.(MT)      | Value          |
| <b>i) Raw Material</b> |              |                 |               |                |
| Brass                  | 83.42        | 307.34          | 148.35        | 279.48         |
| Polyacetal             | 56.43        | 57.50           | 44.77         | 34.82          |
| Acrylic                | 150.69       | 157.44          | 101.09        | 115.68         |
| ABS                    | 205.22       | 306.99          | 94.21         | 130.43         |
| CRCA Coils             | 1282.56      | 712.13          | 980.85        | 361.31         |
| Copper                 | 67.38        | 330.45          | 46.85         | 136.48         |
| Polycarbonate          | 62.09        | 132.89          | 77.87         | 90.65          |
| Polypropeline          | 205.42       | 138.62          | 117.28        | 59.56          |
| Others                 | -            | 1134.50         | -             | 622.41         |
|                        |              | <b>3277.85</b>  |               | <b>1830.82</b> |
| <b>ii) Components</b>  |              |                 |               |                |
| Zinc                   |              | 2518.68         |               | 1893.74        |
| Sheet Metal            |              | 1019.47         |               | 983.54         |
| Moulding               |              | 1015.42         |               | 757.58         |
| Springs                |              | 204.49          |               | 162.99         |
| Electronic             |              | 313.06          |               | 296.41         |
| Assembly               |              | 721.26          |               | 605.86         |
| Others                 |              | 2145.00         |               | 938.56         |
|                        |              | <b>7937.38</b>  |               | <b>5638.68</b> |
| <b>Total</b>           |              | <b>11215.23</b> |               | <b>7469.50</b> |

d) CONSUMPTION OF RAW MATERIAL, STORES AND SPARES

| Description   | Current year     |                 | Previous year    |                |
|---|------------------|-----------------|------------------|----------------|
|   | % of total value | value           | % of total value | value          |
| <b>Raw Material, Components, Stores and Spares consumed</b> |                  |                 |                  |                |
| i) Imported   | 18.56            | 2080.81         | 23.21            | 1734.00        |
| ii) Indigenous  | 81.44            | 9134.42         | 76.79            | 5735.50        |
| <b>Total</b>  | <b>100.00</b>    | <b>11215.23</b> | <b>100.00</b>    | <b>7469.50</b> |

e) C.I.F. VALUE OF IMPORTS

|                    |                |                |
|--------------------|----------------|----------------|
| i) Raw Material    | 485.18         | 351.19         |
| ii) Components     | 1606.10        | 1052.49        |
| iii) Capital goods | 69.77          | 218.40         |
| <b>Total</b>       | <b>2161.05</b> | <b>1622.08</b> |

f) EXPENDITURE IN FOREIGN CURRENCY

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| i) Travelling                       | 107.16        | 72.55         |
| ii) Technical Fee, Royalty & others | 186.40        | 135.03        |
| <b>Total</b>                        | <b>293.56</b> | <b>207.58</b> |

g) EARNINGS IN FOREIGN CURRENCY

|                                 |             |             |
|---------------------------------|-------------|-------------|
| i) Export of goods on FOB basis | 0.22        | 0.00        |
| ii) Job Work (net of duties)    | 0.23        | 0.12        |
| <b>Total</b>                    | <b>0.45</b> | <b>0.12</b> |

**D. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration details**

|                    |   |                |            |   |    |
|--------------------|---|----------------|------------|---|----|
| Registration No.   | : | 55-025118      | State Code | : | 55 |
| Balance Sheet Date | : | March 31, 2007 |            |   |    |

**II. Capital raised during the year** (Amount in 000's)

|              |   |     |                   |   |     |
|--------------|---|-----|-------------------|---|-----|
| Public Issue | : | Nil | Bonus Issue       | : | Nil |
| Right Issue  | : | Nil | Private Placement | : | Nil |

**III. Position of Mobilisation and Deployment of funds** (Amount in 000's)

|                   |   |        |              |   |        |
|-------------------|---|--------|--------------|---|--------|
| Total liabilities | : | 835608 | Total Assets | : | 835608 |
|-------------------|---|--------|--------------|---|--------|

**Sources of Funds**

|                             |   |        |                        |   |       |
|-----------------------------|---|--------|------------------------|---|-------|
| Paid-up Capital             | : | 38645  | Reserves and Surplus   | : | 86527 |
| Secured loans               | : | 134162 | Unsecured loans        | : | 71301 |
| Creditors for lease finance | : | 0      | Deferred tax liability | : | 33085 |

**Application of Funds**

|                    |   |        |                         |   |     |
|--------------------|---|--------|-------------------------|---|-----|
| Net fixed Assets   | : | 438265 | Investments             | : | 600 |
| Net Current Assets | : | -75145 | Deferred payment credit | : | 0   |
| Accumulated Losses | : | Nil    | Misc. Expenditure       | : | Nil |

**IV. Performance of Company** (Amount in Rs. 000's)

|                                   |   |         |                        |   |         |
|-----------------------------------|---|---------|------------------------|---|---------|
| Turnover (Including other income) | : | 1559448 | Total Expenditure      | : | 1534346 |
| Profit/Loss Before Tax            | : | 25102   | Profit /Loss After Tax | : | 6673    |
| Earning Per share in Rs.          | : | 1.73    | Dividend Rate %        | : | 10      |

**V. Generic Names of Three Principal Products/Services of the Company as per monetary terms.**

| <b><u>Product Description</u></b> | <b><u>Item Code (ITC Code No.)</u></b> |
|-----------------------------------|--|
| LOCKS FOR MOTOR VEHICLES          | 83.01                                  |
| DOOR LATCHES                      | 83.02                                  |
| COMBINATION SWITCH                | 85.36                                  |

Signatures to Schedules I to XII

for Maheshwari and Associates  
Chartered AccountantPLACE : GURGAON  
DATED : AUGUST 30, 2007BIJAY MURMURIA  
PARTNER  
MEMBERSHIP NO. 55788S.K.AGARWAL  
G. M. (FINANCE)ASHWANI MINDA  
MANAGING DIRECTORJ. P. MINDA  
CHAIRMAN

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

|  | <u>MARCH 31, 2007</u> | <u>MARCH 31, 2006</u> |
|--|-----------------------|-----------------------|
| <b>Rs. in Lakhs</b>                                    |                       |                       |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                       |                       |
| Net Profit before tax and extraordinary items          | 251.02                | 188.59                |
| <b>Adjustments for :</b>                               |                       |                       |
| Depreciation   | 180.61                | 312.58                |
| Interest and Finance charges                           | 211.97                | 184.31                |
| Lease Rentals  | 1.71                  | 8.25                  |
| Excise Duty refund                                     | 0.00                  | 30.00                 |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b> | <b>645.31</b>         | <b>723.73</b>         |
| Adjustments for :                                      |                       |                       |
| Inventories  | - 874.59              | - 434.90              |
| Trade and other receivables                            | - 313.56              | - 402.44              |
| Trade Payable  | 2055.71               | 1062.32               |
| <b>CASH GENERATED FROM OPERATIONS</b>                  | <b>1512.87</b>        | <b>948.71</b>         |
| Interest /Lease Rentals paid                           | 213.68                | 192.56                |
| Direct taxes paid                                      | 96.81                 | 258.57                |
| <b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>            | <b>1202.38</b>        | <b>497.58</b>         |
| <b>EXTRA ORDINARY ITEMS</b>                            |                       |                       |
| Deferred payment credit                                | 0.00                  | 52.47                 |
| Creditors for finance lease                            | - 12.26               | - 48.24               |
| <b>CASH FLOW AFTER EXTRA ORDINARY ITEMS</b>            | <b>1190.12</b>        | <b>501.81</b>         |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>          |                       |                       |
| Purchase of Fixed Assets                               | - 969.12              | - 1254.27             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>           | <b>- 969.12</b>       | <b>- 1254.27</b>      |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                       |                       |
| Proceeds from issue of Share Capital / Share Premium   | 71.96                 | 0.00                  |
| Proceeds from Long-Term and other borrowings           | - 257.62              | 798.17                |
| Payment of Dividend                                    | - 38.65               | - 38.65               |
| Tax on dividend paid                                   | - 6.57                | - 5.42                |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>           | <b>- 230.88</b>       | <b>754.10</b>         |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>       | <b>- 9.88</b>         | <b>1.64</b>           |
| <b>CASH AND CASH EQUIVALENTS</b>                       |                       |                       |
| Opening Balance  | 159.12                | 157.48                |
| <b>CASH AND CASH EQUIVALENTS</b>                       |                       |                       |
| Closing Balance  | 149.24                | 159.12                |

S.K.AGARWAL  
G. M. (FINANCE)

ASHWANI MINDA  
MANAGING DIRECTOR

J. P. MINDA  
CHAIRMAN

### Auditor's Certificate

We have verified the above Cash Flow Statement of JAY USHIN LIMITED for the year ended March 31, 2007 from the books and records maintained by the Company and have found it in accordance therewith.

For Maheshwari and Associates  
Chartered Accountant

Place: Gurgaon  
Dated : August 30, 2007

BIJAY MURMURIA  
PARTNER  
MEMBERSHIP NO. 55788

**JAY USHIN LIMITED**

Registered Office : GI-48, G.T. Karnal Road,  
Industrial Area, Delhi -110033

**ATTENDANCE SLIP – ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the Twenty first Annual General Meeting of the Company at Hotel Mohan, Central Market, Ashok Vihar, Phase-I, Delhi-110052 on Saturday, September 29, 2007 at 11 A.M..

Name of the shareholder .....  
Ledger Folio No./Client ID No. ....  
Name of Proxy/Representative, if any .....  
Signature of Shareholder/Proxy/Representative .....

Note : Shareholders/Proxy holders are requested to bring their Attendance Slips with them and hand them over at the gate of the Meeting Hall after their Signatures.

**JAY USHIN LIMITED**

Registered Office : GI-48, G.T. Karnal Road,  
Industrial Area, Delhi -110033

**PROXY FORM – ANNUAL GENERAL MEETING**

I/We ..... of ..... in the district of .....being a Member/Members of the above named Company hereby appoint .....of ..... in the district of .....or failing him.....of ..... in the district of ..... as my/our Proxy to attend on my/our behalf the Twenty first Annual General Meeting of the Company to be held on Saturday, September 29, 2007 at Hotel Mohan, Central Market, Ashok Vihar, Phase-I, Delhi-110052 at 11A.M..

Folio No. /Client ID No. \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_

Revenue  
Stamp

Note :

- 1. The Proxy need not be a member.
- 2. The Proxy form duly signed and stamped should reach the Company’s Registered Office at least 48 hours before the time of Meeting.

**Printed Matter**  
**BOOK POST**

If undelivered please return to:

**JAY USHIN LIMITED**

**GI-48, G.T. KARNAL ROAD  
INDUSTRIAL AREA, DELHI-110033**