

TWENTY SIXTH
ANNUAL REPORT
2011-12

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

BOARD OF DIRECTORS

CHAIRMAN
MANAGING DIRECTOR
DIRECTOR TECHNICAL
DIRECTORS

MR. J. P. MINDA
MR. ASHWANI MINDA
MR. ANIL MINDA
MR. SHIV RAJ SINGH
MR. BHARAT BHUSHAN CHADHA
MR. ASHOK PANJWANI
MR. VIRENDRA KUMAR CHANANA
MR. BALRAJ BHANOT
MR. JUN UMEHARA

AGM (FINANCE)

MR. R.K. GUPTA

AUDITORS

M/S HARIBHAKTI & CO.
52-B, III FLOOR,
PHASE-III, OKHLA INDUSTRIAL ESTATE,
NEW DELHI - 110020.

BANKERS

KOTAK MAHINDRA BANK LIMITED
STANDARD CHARTERED BANK
YES BANK LIMITED
ICICI BANK LIMITED

REGISTERED OFFICE

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

FACTORIES

GP-14, HSIIDC INDUSTRIAL ESTATE,
SECTOR - 18, GURGAON, HARYANA -122001

PLOT NO.4, SECTOR-3, IMT-MANESAR,
DISTT. GURGAON, HARYANA-122050

KHASRA NO.39/14, 15/1, 17/1,
VILLAGE & POST MOHAMMADPUR,
JHARSA, GURGAON-122004, HARYANA

D-1(2), SIPCOT INDUSTRIAL PARK,
IRUNGULAM VILLAGE,
SRIPERUMBUDUR, TAMIL NADU -602105

LISTING OF EQUITY SHARES

BOMBAY STOCK EXCHANGE LIMITED
PHIROZE JEEJEEBHOY TOWER,
DALAL STREET,
MUMBAI-400001

REGISTRAR AND SHARE TRANSFER AGENT

RCMC SHARE REGISTRY PVT. LTD.

REGISTERED OFFICE

1515, 1ST FLOOR, BHISHAM PITAMAH MARG,
KOTLA MUBARAKPUR,
NEW DELHI-110003

CORRESPONDENCE ADDRESS

B-106, SECTOR -2
NOIDA, UTTAR PRADESH

NOTICE

Notice is hereby given that 26th Annual General meeting of the members of Jay Ushin Limited will be held on Saturday, 29th September 2012 at 2.30 PM at Clark Greens, G-1, Pushpanjali Farm, Dawarka Link Road, Bijwasan, New Delhi-110037 to transact the following Business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012 and Profit & Loss Account for the year ended on that date alongwith the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Jaideo Prasad Minda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashwani Minda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Balraj Bhanot, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS**6. To consider and adopt following resolution with or without modifications as ordinary resolution:**

“Resolved that the consent of the Company is hereby given, in terms of the provision of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow money(ies), apart from money(ies) borrowed by the Company in the ordinary course of the business from the Company’s bankers, such sum(s) as they may deem necessary, from time to time, notwithstanding that the money(ies) already borrowed together with money(ies) further proposed to be borrowed, may exceed the aggregate of the paid-up Share Capital of the Company and its Free Reserves. However, the aggregate of borrowings made at any point of time shall not exceed a sum of ` 200 Crore.”

7. To consider and adopt following resolution with or without modifications as ordinary resolution:

“Resolved that the consent of the Company is hereby given, in terms of the provision of Section 293(1)(a) of the Companies Act, 1956, to the Board of Directors of the Company to create charge by way of hypothecation, mortgage or in any other manner on the Assets of the Company, whether Fixed or Current, as the Board of Directors may deem necessary to secure money(ies) borrowed by the Company, from time to time, whether in the ordinary course of business from company’s bankers or otherwise from Banks, Financial Institutions or other Lenders.

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. 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. A PROXY FORM IS SENT HEREWITH.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business set out in the notice is annexed.
3. Secretarial Compliance Certificate obtained pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 shall be placed at the meeting.
4. Pursuant to section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 22, 2012 to Saturday, September 29, 2012 (both days inclusive).
5. Members are requested to notify immediately any change in their address and/or the bank mandate details to the Company’s Registrar and Share Transfer Agent for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
6. 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 and shall also be available during the meeting.
7. Members are requested to convert their shares lying in Physical Form to Electronic Form for easy transferability of shares.

8. Members holding the shares in Physical Form and desirous of making nominations are requested to write to the Registrar & Share Transfer Agent to that effect.
9. 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 unpaid/unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund (IEPF). The amount so transferred cannot be claimed from the Company or from the Fund. The Members who have not yet encashed their dividend warrants for the financial years 2004-05(Final) , 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 are requested to make their claims to the Company, without any delay. Dividend declared for the financial year 2004-05 is in the process of transfer to IEPF.
Shareholders who have not so far en-cashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company immediately. Shareholders are requested to note that no claims shall lie against for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.
10. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through the electronic mode. In view of the MCA's Green Initiative for paperless Communications the members are requested to kindly register their email addresses with our Share Transfer Agents, RCMC Share Registry Private Limited. E-mail id-shares@rcmcdelhi.com to receive any future correspondences from the Company. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company or its Share Transfer Agent.
11. 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. Jaideo Prasad Minda**

Mr. J.P. Minda is aged 80 years. The Company was promoted by Mr.J.P.Minda in the year 1986. 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 57 years of experience in manufacturing and marketing of automotive components. He looks after overall management of the Company. He is a director on board of fourteen other Companies but not a member/Chairman in the Committee(s) of any other Company.

2. **Mr. Ashwani Minda**

Mr.Ashwani Minda is aged 53 years. He 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 32 years of experience in the manufacturing and marketing of automotive components. He looks after finance and commercial functions of the Company. He is a director on board of fourteen other Companies but not a member/Chairman of any Committee(s) of any other Company.

3. **Mr. Balraj Bhanot**

Mr. Balraj Bhanot is aged 68 years and he is a double graduate in engineering and holds post graduate degree in Industrial Management besides MBA from FMS (Delhi). Presently he is a chairman of TEDC (Transport Engineering Divisional Council) of BIS and also consultant to DIMTS. He retired as Dy. Director General from Government of India, department of heavy industry. He is the former director of ARAI (Automotive Research Association of India), former chairman of CMVR-Technical Standing Committee and was responsible for framing and emission regulations in automotive fields under CMVR. Mr Bhanot has played a pioneering role in the development of software Industry in India when he was posted as Advisory of Electronics in India Trade Centre, Brusells in late seventies. He has played crucial roles for the development of ancillary industry and automotive industry. He has extensively travelled abroad in various capacities and has more than 41 years industrial experience. He has also been conferred with various national and international awards. He does not hold any equity shares of the Company as on March 31, 2012. He also holds directorship in Star Perfumers Private Limited.

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

September 01, 2012

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

**Ashwani Minda
Managing Director**

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6 & 7**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the members in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves. The increasing business operations and expansion plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs.200 Crores.

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

Mortgaging or creating charge by the Company of its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the Board of Directors, may be construed as disposal of the Company's undertaking within the meaning of Section 293(1)(a) of the Companies Act, 1956. It is therefore considered necessary for the Members to authorise the Board to create mortgage/charge on Company's Assets in the manner proposed in the resolution to secure the funds borrowed by the Company from time to time.

Your Board recommends these resolutions for your approval. None of the Directors of the Company is, in any way, deemed to be concerned or interested in passing of these Resolutions.

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

September 01, 2012

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

**Ashwani Minda
Managing Director**

Directors' Report

To

The Members,

The Directors are pleased to present Twenty Sixth Annual Report together with the audited accounts of your Company for the financial year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

	For the year ended March 31, 2012	For the year ended March 31, 2011
		(₹ in Lakh)
Turnover (Net of excise)	45907.31	45262.72
Profit before interest & depreciation	2147.67	3133.50
Finance Charges	989.77	851.64
Profit before depreciation	1157.90	2281.85
Depreciation	995.01	890.52
Profit before tax	162.89	1391.33
Provision for taxation		
- Income tax	35.39	391.61
- Tax for earlier years	(19.82)	-
- Deferred tax liability /(Assets)	(86.39)	(48.28)
	-----	-----
Prior Period Expenses	-	28.84
Profit after tax and prior period items	233.71	1019.16
Proposed Dividend	-	115.94
Dividend tax	-	18.81
Transfer to General Reserve	-	102.50
Profit after tax, dividend and transfer to General Reserve	233.71	781.91
Balance of Profit brought forward	2170.38	1388.47
Balance carried to the Balance Sheet	2404.09	2170.38

OPERATIONS

The gross revenue (net of excise) of the Company for the year was ₹ 459.07 Crores as against ₹ 452.63 Crores in the previous year. Earnings before depreciation, interest, tax and amortization (EBDITA) stood at ₹ 21.48 Crores against ₹ 31.33 Crores in the previous year.

During the year, the Company has invested ₹ 15.84 Crores towards modernisation and expansion of its Manufacturing facilities as against ₹ 13.20 Crores in the previous year. In view of the growth opportunities provided by both the domestic and international markets, the Company has made capital investment for upgradation of facilities and increase in capacities.

In the current year the net sales in first quarter was ₹ 128.08 Crores as against ₹ 110.95 Crores in the corresponding quarter of the previous year which represent a growth of 15%.

DIVIDEND

In view of inadequate profits for the current financial year and the funds requirements for future expansion, the board has decided not to recommend any dividend for the year ended March 31, 2012.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jaideo Prasad Minda, Mr. Ashwani Minda and Mr. Balraj Bhanot shall retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment.

Mr. Satoru Gokuda, nominee Ushin Ltd., Japan who was reappointed as whole time director of the Company for a period of 3 years resigned from the board on May 16, 2012. Mr. Mohan Ram Krishnan and Mr. Bhawani Shankar Rathi, Director of the Company resigned from the Board of the Company. The Board acknowledged their resignations and put on record their appreciation for the services rendered by them.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in preparation of Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- accounting policies have been selected and applied consistently and judgments 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 frauds and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

CORPORATE GOVERNANCE

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

COMPLIANCE CERTIFICATE

As required under Section 383A of the Companies Act, 1956, a Compliance Certificate has been obtained from Practicing Company Secretary and is attached as per Annexure-II to this report.

AUDITORS

M/s Haribhakti & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting.

EXPLANATION TO AUDITOR'S REMARKS

The Board has taken note of the Observations made by the Auditors in their Report. The issues raised by them are being appropriately monitored by the Management.

PARTICULARS OF EMPLOYEES

The statement of employees under section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended has not been appended as there were no employee during the year covered by the said rules.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

All possible measures have been undertaken successfully by your Company to achieve the desired objective of energy conservation and technology absorption. A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in accordance with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed as Annexure-III.

DEPOSITS

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

LISTING

The Shares of your Company are listed on Bombay Stock Exchange Limited. The Listing fee for the year 2012-13 have been paid to the Stock Exchange.

ACKNOWLEDGEMENTS

The Board of Directors sincerely thank and wish to place on record its appreciation of U-shin Ltd., Japan and Shinchang Electrics Co. Ltd., Korea, and the employees of the Company at all levels, for their whole-hearted co-operation and unstinted support. The Directors also place on record their sincere thanks to the directors of the Company who have resigned during the period, for the services rendered by them during their association with the Company. The Directors want to express their deep-felt appreciation and best wishes to all the shareholders, customers, bankers, Government and all other business associates for the continued support and trust they have reposed in the Management. The Directors look forward to a bright future and further growth with confidence.

For and on behalf of the Board

Place : Gurgaon
Date : September 01, 2012

J. P. Minda
Chairman

MANAGEMENT DISCUSSION & ANALYSIS**INDUSTRY OUTLOOK**

The financial year 2011-12 was full of challenges and turbulence for the auto components industry. With a background of two good years of 8.4% economic growth, the financial year 2011-12 began on an optimistic note. However, during the course of the year it became evident that the Indian economy would fall short of these expectations and the GDP growth in 2011-12 is now estimated to be around 6.5 per cent. It was the second year in succession with a double digit inflation rate and the central bank raised interest rates to curb inflation. Prices of crude oil also shot up in the international market. High inflation, high interest rates and high petrol prices impacted affordability of vehicles, particularly in the smaller cost-sensitive segment. With petrol prices deregulated in the previous year and diesel prices under government control, there was a high difference in the prices of the two fuels. This led to a severe demand distortion between petrol and diesel vehicles. On the cost side, a steep appreciation of the Yen increased the Rupee cost of direct and indirect imports and royalty. Although there are some benefit on export realizations the quantum was limited.

FUTURE OUTLOOK

Indian auto component industry is robustly driven by the growth in demand for automobiles. The sector has become a lucrative business proposition for global players, majorly owing to two factors. First needless to say, the demand for automobiles is increasing day by day in the country. India, a market with high potential for the automobile sector, is expected to witness a three-fold increase in demand for automobiles by 2020. Secondly, all major global auto-makers are establishing their bases here due to highly positive business environment, favorable policies and government support. The customer base is expected to expand substantially in the coming years as many new customers are entering the market and the existing customers are introducing new models. The prospects of the segment appears encouraging across the foreseeable future. However, rising inflation especially fuel price, interest rate can have negative impact on sales volume.

OPPORTUNITIES AND THREATS

India is the second largest two wheeler market and fourth largest commercial vehicle market. India is projected to be among top five economies by year 2025. There are several advantages which are available in India to automobile industry such as Low-cost, high-skill manpower with an abundance of engineering talent, well developed, globally competitive Auto Ancillary Industry, Established automobile testing and R&D centers, Opportunity to address the Global Auto Components market while leveraging India's large and growing domestic market. In order to face the ongoing challenges, your Company has been continuously making efforts to widen its customer base and expanding manufacturing capabilities. Volatility in raw material prices and other inputs, rise in domestic interest rates, inflationary pressure, currency fluctuations and continuous pressure from OEMs on price reduction, intense competition from counterparts is likely to pose a major threat on the margin of the domestic auto components industry. Therefore, to take on the challenges imposed by this environment, your company has been enhancing its Research and Development skills to manufacture high quality & cost competitive components.

SEGMENT WISE PERFORMANCE

The Company deals with only one segment. Therefore, it does not require to give segment wise performance.

RISK AND CONCERNS

The Company is in the field of manufacturing of automotive components. The automotive component manufacturing industry is highly competing and situation of cut-throat competition prevails in market. At the same time, economy of the country and seasonal sales of automobiles effect the performance of the company. New models are being introduced in the market at ever increasing frequency which is driven by consumers' preference often influenced by international market. Whenever new models are introduced, the market expands correspondingly and so does the demand for components. Any disruption in the major OEMs' production in turn have ripple effect on the company sales as well

The company is conscious of the risks associated with the business and has been de-risking the model by developing a diverse customer base. The autocomponent manufacturers due to severe competitive pressures find it difficult to pass on price increase to the customer.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established internal control systems, which provides accurate recording of transactions with internal checks, internal controls to ensure efficacy of operation, compliance with applicable legislation, safeguarding of assets and prompt reporting, adherence to proper accounting standards and policies and adherence to management policies, promotion of ethical conduct and ensuring compliance with various legal and regulatory provisions. It also provides reasonable assurance with regard to safeguarding the Company's assets, promoting operational productivity. Reports of the internal auditor are reviewed by the senior management and are also placed before the audit committee of the directors. Audit committee is reviewing the internal control systems and procedures periodically. The status of implementations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the board.

FINANCIAL PERFORMANCE

Total turnover of the Company during the year was ` 459.07 Crores as against ` 452.63 Crores in the previous year.

HUMAN RESOURCES

Employees are the most valuable resource who are the strength of an organization in its growth, prosperity and development. Your Company seeks to attract and retain the best talent available. Your Company firmly believes that quality and positive attitude of the people are the keys to face the ever-growing competition. The 360 degree evaluation, change of mindset, innovation, cost and process optimization, anticipation and management of change, culture of trust and transparency have been our major HR initiative. Human resources initiatives such as skill level upgradation, training, appropriate reward & recognition systems and productivity improvement are the key factors continuously being focused for development of the employees of the company. The Company's industrial relations remained cordial and harmonious throughout the year. The Company's over all manpower strength was 547 as on March 31, 2012.

CAUTION STATEMENT

This report contains forward looking statements. All such statements are subject to risks of uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the markets, changes in Government regulations, tax regimes, economic developments and other incidental factors.

ANNEXURE -I TO THE DIRECTOR'S REPORT

CORPORATE GOVERNANCE

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

1. Company philosophy on Corporate Governance

Jay Ushin Ltd. (JUL) is committed to adoption of best governance practices, their adherence in true sprit and conduct its affairs in a manner, which is transparent, clear and evident to those having dealings with or having a stake in the Company. JUL lays strong emphasis on business ethics in all its dealings. In line with JUL's vision and long-term business objectives, all major corporate decisions are taken by the Company's professional Board in conjunction with a competent management team, keeping in view the best interest of all its stakeholders.

2. Board of Directors

The present Board consists of the Executive Chairman, Managing Director, one executive director, one non-executive director nominated by Foreign Collaborator U-shin Ltd., Japan and five Non-Executive Independent Directors.

During the year, five Board Meetings were held on May 14, 2011, August 12, 2011, September 03, 2011, November 13, 2011 and February 14, 2012. 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, 2012 is as follows:

Name of Director	Category	No. of Board meetings attended	Attended last AGM held on September 30, 2011	No. of other Directorships (excluding private limited Companies and foreign companies)	No. of Membership in Committee of other Companies	
					Member	Chairman
Mr. J. P. Minda	Executive Chairman	5	Yes	14	-	-
Mr. Anil Minda	Executive Director	4	No	14	-	-
Mr. Ashwani Minda	Managing Director	5	Yes	14	-	-
Mr. Shiv Raj Singh	Non - Executive Director - Independent	4	No	-	-	-
Mr. Bharat Bhushan Chadha	Non - Executive Director - Independent	4	No	4	5	-
Mr. Ashok Panjwani	Non - Executive Director - Independent	5	No	-	-	-
Mr. Bhawani Shankar Rathi*	Non - Executive Director - Independent	-	No	2	-	1
Mr. Virendra Kumar Chanana	Non - Executive Director Independent	3	No	2	2	1
Mr. Satoru Gokuda **	Executive Director-Nominee of U-shin Ltd., Japan	3	No	-	-	-
Mr. Balraj Bhanot	Non - Executive Director - Independent	3	No	-	-	1
Mr. Mohan Ram Krishnan*	Non - Executive Director - Independent	2	No	-	-	-
Mr. Jun Umehara	Nominee Director of U-shin Ltd., Japan	1	No	-	-	-

Note (*) Resigned on May 15, 2012

(**)Resigned on May 16, 2012

Foreign Collaborator U-shin Ltd, Japan is providing technical know-how to the Company. During the year, the Company paid/credited ` 385.96 Lakh (previous year ` 383.53 Lakh) towards dividend, technical consultancy fee, Royalty, Technical assistance fee and reimbursement of Air ticket, visa, trip expenses, testing charges, freight etc. to U-shin Ltd., Japan. The Company has not sold any fixed assets, during the year (previous year ` 194.55 lakh) to U-shin Ltd.

3. Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956, and the guidelines set out in the Listing Agreement with Stock Exchange. As on March 31, 2012, the entire Audit Committee comprises of Independent Directors viz. Mr. Bharat Bhushan Chadha (Chairman), Mr. Shiv Raj Singh and 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. Mr. R.K. Gupta, AGM (Finance) of the company is acting as a compliance officer of the company.

Meeting and Attendance

The Audit Committee met Six times during the year on May 14, 2011, August 12, 2011, September 03, 2011, September 07, 2011, November 14, 2011 and February 14, 2012 and were attended by members as under:

Name of members	No. of meetings held	No. of meetings attended
Mr. Bharat Bhushan Chadha	6	5
Mr. Shiv Raj Singh	6	4
Mr. Ashok Panjwani	6	6

4. Remuneration Committee

The remuneration committee consists of 3 independent directors viz. Mr. Ashok Panjwani (Chairman), Mr. Shiv Raj Singh and Mr. Bharat Bhushan Chadha. No meeting of the remuneration committee was required to be held during the period under review as there were no instances requiring such meetings to be held.

Remuneration Policy

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

The details of remuneration paid to Executive Directors and sitting fee 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

(` in Lakh)

Name of the director	Salary	Perquisites and allowances	Total
Mr. J.P. Minda	30.00	5.28	35.28
Mr. Anil Minda	30.00	6.36	36.36
Mr. Ashwani Minda	30.00	5.53	35.53
Mr. Satoru Gokuda	12.00	0.00	12.00

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

Non- Executive Directors (Independent)

(` in Lakh)

Name of the director	Sitting fees	Other/commission, if any
Mr. Shiv Raj Singh	0.40	Nil
Mr. Bharat Bhushan Chadha	0.45	Nil
Mr. Ashok Panjwani	0.55	Nil
Mr. Virendra Kumar Chanana	0.15	Nil
Mr. Balraj Bhanot	0.15	Nil
Mr. Mohan Ram Krishnan	Nil	Nil
Mr. Bhawani Shankar Rathi	Nil	Nil
Mr. Jun Umehara	0.05	Nil

5. Shareholders Committees

The Shareholders and Investors Grievance Committee consists of two independent Directors viz. 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. Mr. R. K. Gupta, AGM (Finance) is Compliance officer of the Company. During the year under review, the Company has received solitary complaint from the shareholders which has been duly resolved.

The Board has also constituted a Share Transfer Committee consisting of two executive directors viz. Mr. J.P. Minda & Mr. Anil Minda and Mr. R.K. Gupta, AGM(Finance). The committee has delegated the power to the registrar who looks after transfer of equity shares including dematerialization, issue of duplicate share certificates, transmission of shares, etc.

6. General Body Meetings

Year	Date	Day	Time	Location
2009	September 30, 2009	Wednesday	3 P.M.	Clark Greens, G1, Pushpanjali Farm, Dawarka Link Road, Bijwasan, New Delhi-110037
2010	September 20, 2010	Monday	3 P.M.	Clark Greens, G1, Pushpanjali Farm, Dawarka Link Road, Bijwasan, New Delhi-110037
2011	September 30, 2011	Friday	11 A.M.	Clark Greens, G1, Pushpanjali Farm, Dawarka Link Road, Bijwasan, New Delhi-110037

During the last 3 Annual General Meetings, four special resolutions were passed. Out of them three were passed in Annual General Meeting for the Financial Year 2009-10 and one for 2010-11. During the last year and current year, no resolution was passed through Postal Ballot and none of the business required to be transacted 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 which 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. The board has obtained certificates/disclosures from key management personnel confirming that they do not have any material, financial and commercial interest in the transactions with the Company, that may have a potential conflict with the interest of the Company at large. This disclosure has also been made for all relations of the first degree by the management to the board.
- v. There were no instances of non-compliances on any matter related to the capital market, during the last three years.
- vi. The financial statements have been made in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) so as to represent a true and fair view of the state of affairs of the Company. However, the Auditors have made certain general observations with regard to the functioning of the Company in their report for the financial year 2011-12 which is suitably responded by the board in its report.
- vii. All mandatory requirements as per clause 49 of the listing Agreement have been complied with by the Company.
- viii. In terms of Clause 49(V) of the listing Agreements, the Managing Director and the AGM (Finance) made a certification to the Board of Directors in prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

ix. CEO/CFO Certification

Mr. Ashwani Minda, Managing Director and Mr. R.K. Gupta, AGM (Finance) have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these

deficiencies.

(d) They have indicated to the Auditors and the Audit committee

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

The above certificate was placed before the board meeting on September 1, 2012.

8. Means of communication

Quarterly results were published in the newspaper i.e., The Financial Express in English and Jansatta in Hindi. The relevant information of the Company is also displayed on its website www.jpmpgroup.co.in. The Company has not made any formal presentation to the institutional investors or to the analysts during the year.

9. General Shareholder's information

i. Date and venue of the Annual General Meeting : Saturday, September 29, 2012
Clark Greens, G1, Pushpanjali Farm,
Dawarka Link Road, Bijwasan,
New Delhi-110037.

ii. **Financial Calendar (tentative and subject to change)**
Financial year April 1 to March 31
First Quarter Results By end of July, 2012
Second Quarter results By end of October, 2012
Third Quarter results By end of January, 2013
Fourth Quarter results By end of May, 2013.

iii. **Date of Book Closure** Saturday, September 22, 2012 to Saturday,
September 29, 2012 (both days inclusive)

v. Listing on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the annual listing fee for the year 2012-13 has been paid. The Company's applications for listing of 196471, 533029 and 293500 equity shares of ₹ 10/- each are pending with The Stock Exchange, Mumbai since the year June, 2001. The Company has received in principal approval for listings of above shares vide BSE letter no. DCS/PREF /SM/FIP/297/2006 dt.15.12.06.

vi. Stock Code

Bombay Stock Exchange Ltd. (BSE) : 513252

ISIN : INE289D01015

vii. Stock market data at BSE *

Month	BSE		
	High	Low	Volume
April, 2011	159.00	129.00	1,5126
May, 2011	154.50	119.55	9,407
June, 2011	134.00	111.10	6,108
July, 2011	141.90	109.20	6,614
August, 2011	145.00	101.35	8,565
September, 2011	135.85	103.00	2,730
October, 2011	119.00	106.00	1,135
November, 2011	113.00	74.40	4,450
December, 2011	90.15	61.25	1,280
January, 2012	92.00	67.20	1,404
February, 2012	89.05	72.25	2,325
March, 2012	76.45	61.10	53,979

* Source: www.bseindia.com

viii. 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.

ix. **Shareholding pattern as on March 31, 2012**

Category	No. of shares	% of shareholding
Promoters, Directors, Directors' Relative, friends & associates	1,225,488	31.71
Foreign Collaborator- U-shin Ltd., Japan	1,004,645	26.00
NRI	53,099	1.37
Domestic Companies\Bank\ Mutual Funds\Trust	1,006,086	26.04
Public	575,182	14.88
Total	3,864,500	100.00

 x. **Distribution of Shareholding as on March 31, 2012**

No of equity shares held	No. of shareholders	Percentage of shareholders	No. of shares	Percentage of shareholding
1-500	2384	92.69	283392	7.33
501-1000	74	2.88	60807	1.57
1001-2000	32	1.24	49065	1.27
2001-3000	14	0.54	33933	0.88
3001-4000	5	0.19	17255	0.45
4001-5000	5	0.19	23101	0.60
5001-10000	10	0.39	70487	1.82
10001 and above	48	1.87	3326460	86.08
Total	2572	100.00	3864500	100.00

 xi. **Dematerialization of Shares and liquidity**

As on March 31, 2012, 25.11% of the Company's total paid-up equity share capital was held in dematerialized form and the balance was held in physical form. Shares of the Company are actively traded on Bombay Stock Exchange Limited, Mumbai and hence have good liquidity.

 xii. **Outstanding GDR's / ADR's: Not issued**

 xiii. **MCA's Green Initiative for Paperless Communications**

Ministry of Corporate Affairs ("MCA") has recently taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies. We therefore propose to send all the communications, including Annual Reports, Half-yearly communications etc. henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time. Kindly register your e-mail address with RCMC Share Registry Private Limited, our Share Transfer Agent. If your email address is already registered please ignore the above instruction. We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our company website, www.jpimgroup.co.in. We solicit your whole-hearted co-operation in helping the Company to implement the e-governance initiatives of the Government in the interest of environment.

As a step towards implementation of above Green initiative, the members who have already registered their email addresses with the registrar and share transfer agent are being sent a copy of the Annual report through email only. However, if any such member so desires, may request for a physical copy.

 xiv. **Factory Locations:**

- GP-14, HSIIDC Industrial Estate, Sector -18, Gurgaon, Haryana -122001
- Plot No.4, Sector 3, IMT-Manesar, Distt. Gurgaon, Haryana -122050
- D-1(2), Sipcot Industrial Park, Irungulam Village, Sriperumbudur, Tamilnadu -602105
- Khasra No.39/14, 15/1, 17/1, Village & Post Mohammadpur, Jharsa, Gurgaon, Haryana-122004

 xv. **Registrar and Share Transfer Agents/Address for correspondence**

RCMC Share Registry Pvt. Ltd.
 B-106, Sector -2
 Noida, Uttar Pradesh
 Phone: (0120)-4015880 Fax No. : (0120)-4015839
 E-mail: shares@rcmcdelhi.com

Members may write for any queries/information to Mr. R.K. Gupta, AGM (Finance), Jay Ushin Limited, GP-14, HSIIDC Industrial Estate, Sector-18, Gurgaon, Haryana - 122001 or any query can be sent by e-mail to rkgupta@jushinindia.com or info@jushinindia.com.

Non-Mandatory Requirement of Clause 49

The Company has not adopted the non mandatory requirements as mentioned under Clause 49 of the Listing Agreement to the extent applicable.

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, 2012.

Jay Ushin Limited

Place: Gurgaon
Date: September 1, 2012

Ashwani Minda
Managing Director

COMPANY SECRETARY'S CERTIFICATE**The Members of Jay Ushin Limited**

I have examined the compliance of conditions of Corporate Governance by Jay Ushin Limited for the year ended on March 31, 2012, 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. My 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 my opinion and to the best of my information and according to the explanation given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Company Secretaries of India, I have to state that as per the records maintained by the Company, no investor Grievances were pending for a period exceeding one month.

I 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.

Place: Gurgaon
Date: September 1, 2012

Arvind Kohli
Company Secretary
CP.No.2818

ANNEXURE -II TO THE DIRECTOR'S REPORT

COMPLIANCE CERTIFICATE
(Under section 383A of the Companies Act, 1956)

To,
The Members,
Jay Ushin Limited
GI-48, G.T.Karnal Road,
Industrial Area
Delhi-110033

Registration No.: L52110DL1986PLC025118

I have examined the registers, records, books and papers of **Jay Ushin Limited** having its Regd. office at **GI- 48, G.T. Karnal Road, Industrial Area, Delhi-110033** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the memorandum and Articles of Association of the Company for the financial year ended on March 31, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director and Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 5 times on May 14, 2011, August 12, 2011, September 03, 2011, November 14, 2011 and February 14, 2012 and the notices for meetings in respect of which were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. There was no resolution passed by Circulation during the year.
5. The Company closed its Register of Members for the period from Friday, September 23, 2011 to Friday, September 30, 2011 (both days inclusive) during the financial year.
6. The annual general meeting for the financial year ended on March 31, 2011 was held on September 30, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary meeting(s) were held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or Companies referred in the Section 295 of the Act.
9. The Company has obtained Central Government approval for contracts or transactions falling under section 297 of the Companies Act, 1956 and has recorded in the register maintained for this purpose under section 301 of the Act. All these transactions are made within the limits as approved by the Central Government.
10. The Company has made necessary entries in the register maintained under section 301 of the Act wherever applicable.
11. No payments have been made during the year falling within the purview of Section 314 of the Act.
12. The Company has issued duplicate/consolidated share certificates and share certificates after split following the due procedure under the Act during the year.
13. The Company has:
 - (i) Not made any allotment of securities and has delivered all the certificates on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) Declared dividend for the financial year 2010-11.
 - (iii) Duly complied with the requirements of section 217 of the Act.

- (iv) Transferred the dividend amount pertaining to financial year 2010-11 to Yes Bank Ltd. on October 04, 2011 and transferred the same to Unpaid/Unclaimed Dividend account on November 07, 2011.
 - (v) The Company has deposited ` 115,089 and ` 84,998 on May 13, 2011 and December 28, 2011 towards unpaid interim dividend pertaining to financial year 2003-04 and 2004-05 to the Investor Education and Protection Fund under the Act during the year under review.
14. The Board of Directors of the Company is duly constituted.
 15. The Company has appointed whole-time director during the financial year. However, it has not appointed an additional director, alternate director or any director to fill any casual vacancy during the financial year.
 16. The Company has not appointed any sole-selling agent during the financial year.
 17. The Company has obtained Central Government approval for contracts or transactions falling under section 297 of the Companies Act, 1956 for the financial years 2010-11, 2011-12 & 2012-13 vide letter No. 4/76/T-1/2010/D/2011, 4/78/T-1/2010/D/2012 and 4/77/T-1/2010/D/2013 dated 30.06.2010 respectively.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any debentures/other securities during the financial year.
 20. The Company has not bought back any shares during the financial year ending March 31, 2012.
 21. The Company has not issued any preference shares/debentures during the financial year.
 22. The Company, wherever required, has kept in abeyance any rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the Financial Year.
 24. The amount borrowed by the Company is within limit prescribed under section 293(1)(d) of the Act during the financial year ended on March 31, 2012.
 25. During the year, the company has not made any investments.
 26. The Company has not made any loans or given guarantees or provided securities to other bodies corporate during the financial year.
 27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial year.
 28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
 29. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
 30. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
 31. The Company has not altered its Articles of Association during the financial year.
 32. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
 33. The Company has not received any security from its employees during the financial year.
 34. The Company has deposited both employee's and employer's contribution to Provident fund with prescribed authorities pursuant to section 418 of the Act.

Place: Gurgaon
Date: September 01, 2012

Arvind Kohli
Company Secretary
CP. No.2818

Annexure "A"
Registers as maintained by the Company

<u>S.No.</u>	<u>Particulars</u>	<u>Section Reference</u>
1.	Members', Directors' & Committees' Minutes Book	193
2.	Register of Directors, Managing Directors, Managers & Secretary	303/301(3)
3.	Register of Members	150/151
4.	Register of Particulars of Contracts	301
5.	Register of Particulars of loans & investment	372A
6.	Contracts in which Directors are interested	301(1)

Annexure "B"
List of forms & documents filed with The Registrar of Companies, NCT of Delhi & Haryana during the financial year ending March 31, 2012.

S.No.	Form No.	U/Section	Particulars	Due on	Filed on
1.	8	135	Modification of charge in favour of Yes Bank Ltd.	06/03/2011	07/04/2011
2.	25C	269(2) & Sch-XIII	Appointment of Whole-time Director (Mr. Satoru Gokuda)	13/08/2011	10/06/2011
3.	1INV	205C	Unpaid-dividend credited to Investor education and protection fund	11/06/2011	17/06/2011
4.	8	135	Modification of charge in favour of Yes Bank Limited	27/07/2011	01/07/2011
5.	8	135	Modification of charge in favour of Standard Chartered Bank	26/08/2011	23/08/2011
6.	8	135	Modification of charge in favour of Kotak Mahindra Bank	26/08/2011	23/08/2011
7.	8	135	Modification of charge in favour of Standard Chartered Bank	26/08/2011	23/08/2011
8.	8	135	Modification of charge in favour of Kotak Mahindra Bank	25/08/2011	23/08/2011
9.	8	135	Modification of charge in favour of Kotak Mahindra Bank	26/08/2011	23/08/2011
10.	8	135	Modification of charge in favour of Standard Chartered Bank	27/08/2011	16/09/2011
11.	8	135	Modification of charge in favour of Standard Chartered Bank	27/08/2011	16/09/2011
12.	8	135	Modification of charge in favour of Standard Chartered Bank	27/08/2011	16/09/2011
13.	8	135	Modification of charge in favour of Standard Chartered Bank	27/08/2011	16/09/2011
14.	8	135	Modification of charge in favour of Standard Chartered Bank	27/08/2011	19/09/2011
15.	32	303(2)	Confirmation of additional directors(Mr. Mohan Ram Krishnan, Mr. Balraj Bhanot and Mr. Jun Umehara)	29/10/2011	28/10/2011
16.	23	192	Registration of resolution(s) and agreements	29/10/2011	28/10/2011

S.No.	Form No.	U/Section	Particulars	Due on	Filed on
17.	66	383A	Compliance Certificate	29/10/2011	23/11/2011
18.	8	125	Creation of charge in favour of ICICI Bank Ltd.	28/12/2011	23/12/2011
19.	8	125	Creation of charge in favour of ICICI Bank Ltd.	28/12/2011	23/12/2011
20.	20B	159	Annual return made upto 30/09/2011	30/11/2011	27/12/2011
21.	17	138	Satisfaction of charge in favour of Kotak Mahindra Bank Limited	09/03/2012	14/02/2012
22.	17	138	Satisfaction of charge in favour of Kotak Mahindra Bank Limited	09/03/2012	14/02/2012
23.	1INV	205C	Unpaid-dividend credited to Investor education and protection fund	27/01/2012	01/02/2012
24.	8	135	Modification of charge in favour of Kotak Mahindra Bank	05/04/2012	16/03/2012
25.	8	135	Modification of charge in favour of Kotak Mahindra Bank	05/04/2012	16/03/2012
26.	17	138	Satisfaction of charge in favour of Kotak Mahindra Bank Limited	18/04/2012	31/03/2012
27.	17	138	Satisfaction of charge in favour of Kotak Mahindra Bank Limited	18/04/2012	31/03/2012
28.	17	138	Satisfaction of charge in favour of Kotak Mahindra Bank	18/04/2012	31/03/2012

Place : Gurgaon
Date : September 01, 2012

Arvind Kohli
Company Secretary
CP.No.2818

ANNEXURE-III TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**A. CONSERVATION OF ENERGY**

The Company is taking uninterrupted gas based power from Maruti Suzuki India Limited. It has resulted in the better quality production and lower breakdowns of machines & equipments.

B. TECHNOLOGY ABSORPTION**1. RESEARCH AND DEVELOPMENT (R & D)****a. Specific Area in which R & D carried out by the company :**

The company has been carrying out in-house Research & Development activities in the area of product development, process development, production process development, energy conservation and cost reduction.

b. Benefits Derived :

Based on the achievements of In-house R&D efforts, during the year under review, several new products were designed by the Company's R & D such as;

for Maruti Suzuki - Latch, Heater Control & Key Set for new small car, fuel lock for van,

for Hyundai Motors - Key Sets of Eon, Verna & New upcoming models.

for M & M - Combination Switch for Tractor.

Also Key Set & switches of several models of two wheelers were designed in house for Honda, Hero Moto Corp, Suzuki and Royal Enfield.

c. Future Plan of Action

i) Development of new products

ii) Reduction of product cost

iii) Undertake the R&D innovation in other diverse segments.

d. Expenditure on Research & Development

In pursuit of R & D endeavors the company is continuously incurring R & D expenditure both on Capital and Revenue which has not been separately reflected but is being shown as part of regular heads of accounts in fixed assets and in Profit and Loss account respectively.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**a. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation**

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

b. 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.

Technology imported during the last 5 years :-

S. No.	Item	Collaboration	Year	Is the technology fully absorbed
1.	Door latches for car model code named YY4, YV4, YL6, YM1 Minor and YC5 of Maruti Suzuki (India) Limited.	U-shin Ltd., Japan	2006-07	Yes
2.	Key Sets, Head Lamp Leveling Switch, Back Door Opener Switch & Heater Control Assembly and various switches of Maruti Suzuki (India) Limited for the following models : YL6 YC5, YV4 & YY4 Heater Control Panel of Honda Seil Car (India) Ltd. for 2PS & 2 AP	U-shin Ltd., Japan	2006-07 2008-09 2008-09	Yes
3	Key Sets, Door Latches, Head Lamp Leveling Switch, Back Door Opener Switch & Heater Control Assembly and various switches of Maruti Suzuki (India) Limited for car models code named YR9 & YP8.	U-shin Ltd., Japan	2010-11	Yes
4.	Key Sets, Door Latches & Heater Control Assembly and various switches of Maruti Suzuki (India) Limited for car models code named YL8. Key Sets & Heater Control Panel of Honda Seil Car (India) Ltd. for 2CV/2CW, 2PU & 2AZ and their variants and upgrades.	U-shin Ltd., Japan	2011-12	Yes

C. FOREIGN EXCHANGE EARNINGS AND OUTGO
a. Activity relating to exports, initiatives taken to increase exports, development of new export markets for product and services and export plans.

The Company has started exporting certain components & switches to U-shin Ltd./its joint venturer wherever they find our prices are competitive.

b. Total Foreign Exchange used and earned

Particulars with regard to Foreign exchange earnings and outgo are set out in Additional information in note 45 of 47 of the financial statements.

For and on behalf of the Board of Directors of Jay Ushin Limited

Place : Gurgaon
Date : September 01, 2012

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** ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss 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 conducted our audit in accordance with auditing standards generally accepted in India. Those 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 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 by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give 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 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,
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, statement of profit and loss 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 the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

Raj Kumar Agarwal
Partner Membership No.: 074715

Place: Gurgaon
Date: September 01, 2012

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of **Jay Ushin Limited** on the Financial Statements for the year ended March 31, 2012]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets **except for certain items of fixed assets for which the records need to be further updated with regard to specific location and particulars of assets.**
- (b) According to the information and explanation given to us, the fixed assets of the company have been physically verified by the management during the year and discrepancies noted have been properly dealt with in the books of account. **However, in our opinion, the procedures for physical verification need to be strengthened.**
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory excluding stocks with third parties and material in transit has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) **The procedures of physical verification of inventory followed by the management need to be strengthened having regard to the size of the Company and nature of its business.**
- (c) The Company is maintaining proper records of inventory and material discrepancies noticed on physical verification carried out at the end of the year have been properly dealt with in the books of account.
- (iii) As informed to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses (iii) (a), (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable to the Company.
- The Company has not taken any unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly clauses (iii) (e), (iii) (f) and (iii) (g) are not applicable.
- (iv) According to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. **In our opinion, the existing internal control system needs to be further strengthened to be commensurate with the size of the Company and the nature of its business with regard to purchase of inventory.** During the course of our audit, we have not observed any continuing failure to correct weakness in the internal control system. As informed to us, there are no transactions with regard to sale of services.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) We are unable to comment if the transactions made with the parties listed in section 301 of the Act in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to prevailing market prices at the relevant time as there are no market prices comparable to those transactions with similar terms and they are considered to be proprietary in nature by the management of the Company.

- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) ***In our opinion, the Company has an internal audit system which should be further strengthened and scope widened to be commensurate with the size and nature of the Company's business.***
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under the clause (d) of sub-section (1) of Section 209 of the Act for the business activities of the Company and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, investor education and protection fund, employee state insurance, wealth-tax, sales tax, customs duty, excise duty, cess, income tax and other statutory dues were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty and cess that have not been deposited on account of any dispute. According to the information and explanations given to us, disputed excise duty that have not been deposited are as follows:

Name of the statute	Nature of dues	Period	Forum where dispute is pending	Amount (₹)	Amount deposited (₹)	Net Amount (₹)
Central Excise Act, 1944	Excise duty	1998-99	CESTAT	3,170,208	1,000,000	2,170,208
Central Excise Act, 1944	Penalty	1998-99	CESTAT	3,170,208		3,170,208
Central Excise Act, 1944	Interest	1998-99	CESTAT	3,291,110		3,291,110
Central Excise Act, 1944	Excise duty	2007-08	CESTAT	572,286	-	572,286
Central Excise Act, 1944	Penalty	2007-08	CESTAT	572,286	-	572,286
Central Excise Act, 1944	Interest	2007-08	CESTAT	344,037	-	344,037
Central Excise Act, 1944	Excise duty	2007-08	CESTAT	1,665,727	-	1,665,727
Central Excise Act, 1944	Penalty	2007-08	CESTAT	1,665,727		1,665,727
Central Excise Act, 1944	Interest	2007-08	CESTAT	1,007,424		1,007,424
Central Excise Act, 1944	Excise duty	2008-09	CESTAT	1,578,848		1,578,848
Central Excise Act, 1944	Penalty	2008-09	CESTAT	1,578,848		1,578,848
Central Excise Act, 1944	Interest	2008-09	CESTAT	695,296		695,296
Central Excise Act, 1944	Excise duty	2010-11	CESTAT	124,000		124,000
Central Excise Act, 1944	Penalty	2010-11	CESTAT	2,000	-	2,000
Central Excise Act, 1944	Interest	2010-11	CESTAT	183	-	183
				19,438,188	1,000,000	18,438,188

- (x) In our opinion and according to information and explanations given to us, the Company does not have accumulated losses. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. The company has no outstanding dues in respect of financial institutions or debenture holders.
- (xii) According to the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanation given to us, we are of the opinion that the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) ***According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised for short term purposes aggregating ` 375,476,732 for long term investments.***
- (xviii) According to the information and explanations given to us, 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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any fund from public issues.
- (xxi) During the course of our examination of the books and records of the company, 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 **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.: 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: Gurgaon
Date: September 01, 2012

JAY USHIN LIMITED
BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012	(Amount in `) March 31, 2011
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	38,645,000	38,645,000
(b) Reserves and surplus	4	293,718,917	270,347,886
		332,363,917	308,992,886
Non-current liabilities			
(a) Long-term borrowings	5	266,797,671	245,745,010
(b) Deferred tax liabilities (net)	40	29,746,732	38,385,543
(c) Other long-term liabilities	6	28,360,040	23,973,195
(d) Long-term provisions	7	16,310,895	6,734,070
		341,215,338	314,837,818
Current liabilities			
(a) Short-term borrowings	8	536,270,687	407,536,021
(b) Trade payables	9	791,744,337	761,204,073
(c) Other current liabilities	10	276,177,799	221,712,925
(d) Short-term provisions	11	8,010,204	17,823,382
		1,612,203,027	1,408,276,401
TOTAL		2,285,782,282	2,032,107,105
II. ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	794,431,828	752,289,718
(ii) Intangible assets	13	1,903,115	553,040
(iii) Capital work-in-progress	32	168,848,838	72,850,130
(b) Non-current investments	14	600,000	600,000
(c) Long-term loans and advances	15	174,554,495	63,840,415
(d) Other non current assets	16	17,142,260	18,754,930
		1,157,480,536	908,888,233
Current assets			
(a) Inventories	17	525,356,512	452,822,547
(b) Trade receivables	18	410,040,544	286,977,854
(c) Cash and bank balances	19	49,733,919	78,721,225
(d) Short-term loans and advances	20	143,137,559	304,697,246
(e) Other current assets	21	33,212	-
		1,128,301,746	1,123,218,872
TOTAL		2,285,782,282	2,032,107,105

Summary of significant accounting policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date
 For Haribhakti & Co.
 Chartered Accountants
 Firm Registration No.: 103523W

For and on behalf of the Board of Directors of Jay Ushin Limited

Raj Kumar Agarwal
 Partner
 Membership No.: 074715
 Place: Gurgaon
 Date: September 01, 2012

J. P. Minda
 Chairman

Ashwani Minda
 Managing Director

R. K. Gupta
 AGM (Finance)

JAY USHIN LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
INCOME			
Revenue from operations (gross)	22	5,156,126,602	5,091,197,899
Less: Excise duty		565,395,909	564,926,202
Revenue from operations (net)		4,590,730,693	4,526,271,697
Other income	23	85,019,384	86,173,028
Total revenue		4,675,750,077	4,612,444,725
EXPENSES			
Cost of raw materials and components consumed	24	3,672,907,423	3,678,050,577
Changes in inventories of finished goods	25	1,538,495	(7,311,900)
Employee benefits expenses	26	331,114,104	266,063,088
Finance cost	27	98,976,634	85,164,447
Depreciation and amortisation	28	99,500,710	89,052,229
Other expenses	29	455,423,345	362,293,401
Total expenses		4,659,460,711	4,473,311,842
Profit before prior period expenses and tax		16,289,366	139,132,883
Prior period expenses	30	-	2,883,911
Profit before tax		16,289,366	136,248,972
Tax expense:			
- Current tax		3,539,544	39,161,448
- Tax for earlier years		(1,982,398)	-
- Deferred tax	40	(8,638,811)	(4,828,011)
Profit after tax		23,371,031	101,915,535
Basic and diluted earnings per share of 10/- each (in `)	35	6.05	26.37

Summary of significant accounting policies 2
 The accompanying notes are integral part of the financial statements.

As per our report of even date
 For Haribhakti & Co.
 (Chartered Accountants)
 Firm Registration No.: 103523W

For and on behalf of the Board of Directors of Jay Ushin Limited

Raj Kumar Agarwal
 Partner
 Membership No.: 074715
 Place: Gurgaon
 Dated: September 01, 2012

J. P. Minda
 Chairman

Ashwani Minda
 Managing Director

R. K. Gupta
 AGM (Finance)

JAY USHIN LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
A. Cash flows from operating activities:		
Net profit before prior period expenses and tax	16,289,366	139,132,883
Adjustments for:		
Depreciation and amortization	99,500,710	89,052,229
Prior period expenses	-	(2,561,181)
Finance cost	98,976,634	85,164,447
Interest income	(4,576,818)	(1,251,027)
Dividend income	(120,000)	(120,000)
Net loss/(gain) on sale of fixed assets	1,170,126	(15,359,473)
Rent received	(72,086,518)	(62,610,798)
Warranty	30,463,243	3,478,515
Bad trade receivables written off	1,363,432	680,896
Foreign exchange loss/(gain), net	6,650,474	(537,187)
Operating profit before working capital changes	177,630,649	235,069,304
Adjustments for changes in working capital:		
Increase in trade payables	30,874,909	48,151,745
(Decrease)/increase in short term provisions	(1,600,280)	1,086,831
Decrease/(increase) in short term loans and advances	161,559,686	(184,598,559)
Increase in long term provisions	4,315,467	595,467
Increase in other current liabilities	28,237,138	65,950,669
Increase in trade receivables	(124,803,357)	(31,554,167)
Increase in Inventories	(72,533,966)	(159,344,112)
(Increase) /decrease in long term loans and advances	(109,551,555)	(2,947,664)
Increase in other long term liabilities	4,386,845	5,782,869
Warranty paid	(19,940,527)	(3,478,515)
Cash generated from /(used in) operating activities	78,575,009	(25,286,132)
Direct taxes paid	(2,719,671)	(41,455,413)
Net cash generated from /(used in) operating activities	75,855,338	(66,741,545)
B. Cash flows from investing activities:		
Purchase of tangible assets	(145,154,797)	(138,744,591)
Purchase of intangible assets	(1,734,944)	(64,837)
Proceeds from sale of fixed assets	24,008,167	49,069,582
Movement in capital work in progress	(90,021,965)	(31,206,132)
Rental income received	72,086,518	62,610,798
Interest received	4,474,453	1,258,538
Dividend received	120,000	120,000
Increase in fixed deposits having maturity more than 12 months from balance sheet date	1,681,822	1,509,366
Increase in fixed deposits having original maturity of more than 3 months	(3,191,188)	-
Net cash used in investing activities	(137,731,934)	(55,447,276)
C. Cash flows from financing activities:		
Proceeds from short term borrowings, net	123,285,869	167,036,254
Acceptance of long term borrowings	104,073,408	186,485,145
Repayment of long term borrowings	(79,841,168)	(72,714,515)
Interest paid	(104,345,753)	(75,123,029)
Dividend paid	(11,593,500)	(12,251,021)
Corporate dividend tax paid	(1,880,756)	-
Net Cash generated from financing activities	29,698,100	193,432,834
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(32,178,494)	71,244,013
Cash and cash equivalents (refer note 19)		
- At the beginning of the year	78,721,225	7,477,212
- At end of the year	46,542,731	78,721,225
Deposits with maturity for more than three months but realisable within twelve months from balance sheet date	3,191,188	-
Cash and bank balances as per balance sheet	49,733,919	78,721,225

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India and notified under section 211 (3) (c) of the Companies Act, 1956.
- Cash and cash equivalents includes ` 957,263 (previous year ` 815,299) on account of unpaid dividend.

The accompanying notes are integral part of the financial statements.

As per our report of even date
For Haribhakti & Co.
(Chartered Accountants)
Firm registration No.: 103523W

For and on behalf of the Board of Directors of Jay Ushin Limited

Raj Kumar Agarwal
Partner

J. P. Minda
Chairman

Ashwani Minda
Managing Director

R. K. Gupta
AGM (Finance)

Membership No.: 074715
Place: Gurgaon
Date: September 01, 2012

JAY USHIN LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012
3 Share capital

(Amount in `)

	March 31, 2012		March 31, 2011	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of ` 10/- each (previous year ` 10/- each)	5,000,000	50,000,000	5,000,000	50,000,000
Issued, subscribed and fully Paid up				
Equity shares of ` 10/- each (previous year ` 10/- each)	3,864,500	38,645,000	3,864,500	38,645,000
Total paid-up share capital	3,864,500	38,645,000	3,864,500	38,645,000

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

(Amount in `)

Equity shares	March 31, 2012		March 31, 2011	
	Number	Amount	Number	Amount
At the beginning of the year	3,864,500	38,645,000	3,864,500	38,645,000
Outstanding at the end of the year	3,864,500	38,645,000	3,864,500	38,645,000

(b) Terms/ rights attached to equity shares:

- The Company has only one class of equity shares having par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed.
- During the year ended March 31, 2012, the amount of per share dividend recognised for distributions to equity shareholders is ` Nil (previous year ` 3/-)
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity shares of ` 10/- each fully paid-up	March 31, 2012		March 31, 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
U-shin Ltd, Japan	1,004,645	26.00	1,004,645	26.00
Ashwani Minda *	249,092	6.45	249,092	6.45
J. P. Minda *	214,026	5.54	214,026	5.54
Anil Minda *	213,046	5.51	213,046	5.51

* 450,446 shares (11.66%) out of an aggregate of 676,164 shares (17.50%) have been transferred/sold to JPM Farms Private Limited (3.30%), Consortium Vyapaar Ltd. (5.50%), Rajesh Kumar Seth (1.94%) and Ishwar Lal Agarwal (0.92%) by these shareholders but share transfer deed in relation to the same has not been yet registered and accordingly the register of shareholders has not been updated by the Company yet. Further, these does not include the shares held by relatives or other companies in which these shareholders have substantial interest as individually these are less than 5%.

(d) No shares have been allotted as fully paid up pursuant to any contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.

4 Reserves and surplus

(Amount in `)

	March 31, 2012	March 31, 2011
a. Securities premium account	28,596,367	28,596,367
b. General reserve		
Balance as at the beginning of the year	24,712,857	14,462,857
Add: Transferred from surplus in Statement of Profit and Loss	-	10,250,000
Closing balance	24,712,857	24,712,857
c. Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	217,038,662	138,847,383
Add: Profit for the year	23,371,031	101,915,535
Less: Appropriations		
Proposed equity dividend	-	(11,593,500)
Tax on proposed equity dividend	-	(1,880,756)
Transfer to General Reserves	-	(10,250,000)
Closing Balance	240,409,693	217,038,662
	293,718,917	270,347,886

JAY USHIN LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012
5 Long-term borrowings

(Amount in `)

	Non Current portion		Current portion	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans, secured				
- From banks (rupee loan)	120,100,012	73,438,745	53,338,737	62,498,667
- External commercial borrowings from a bank	144,421,250	171,044,229	52,595,089	11,602,275
Vehicle loans, secured				
- From banks	2,236,301	1,029,261	2,298,055	1,591,862
- From others	40,108	232,775	192,667.00	1,134,887
Amount disclosed under the head "other current liabilities" (refer note 10)			(108,424,548)	(76,827,691)
Total	266,797,671	245,745,010	-	-

a) Term Loan from ICICI Bank was taken on December 16, 2011 and carries interest linked to Bank base rate +3.25%. The loan is repayable in 18 equal quarterly instalments with a moratorium of 2 quarters. The loan is secured by first pari-passu charge on all existing and future movable fixed assets of the Company. Second pari-passu charge on all existing and future current assets of the company in sharing with other lenders. Exclusive charge on property located at Plot No. 4, Sector -3 Manesar, Gurgaon, Haryana.

Term loan from Kotak Mahindra Bank Ltd. (KMBL) was taken during the financial year 2007-08 and is repayable in 60 monthly instalments with a moratorium of 6 months. The loan carries interest based on 12 months Benchmark Prime Lending Rate (PLR) of KMBL less 4.75% p.a.. The loan is secured by way of First pari passu charge on all existing & future movable fixed assets & second pari passu charge on all existing and future current assets of the Company. Equitable mortgage by way of second pari passu charge over following properties owned by the company sharing with Standard Chartered Bank (SCB) and Yes Bank Limited (YBL) a) Property at GP -14, Industrial Estate, Sector -18, Gurgaon, Haryana b) Plot no. D-1/2, in the SIPCOT's Industrial Park at Sriperumbudur.

Term loan from Standard Chartered Bank carries interest rate 13.00% p.a.. The loan is repayable in 18 quarterly instalments starting from August, 2009 with a moratorium of 6 month. Secured by way of First pari passu charge on all existing & future movable fixed assets & second pari passu charge on all existing and future current assets of the Company. Equitable mortgage by way of second pari passu charge over following properties owned by the company sharing with SCB and YBL a) Property at GP -14, Industrial Estate, Sector -18, Gurgaon, Haryana b) Plot no. D-1/2, in the SIPCOT's Industrial Park at Sriperumbudur.

(All above loans are secured by way of personal guarantee of directors viz. Mr. J. P. Minda, Mr. Anil Minda & Mr. Ashwani Minda).

b) External Commercial Borrowings (ECB) taken from a bank carries fixed rate of interest 6 months Libor + 300 bps p.a.. The Loan is repayable half yearly in 8 equivalent instalments with a moratorium of 18 months from the first draw down date i.e. August 31, 2010 and October 13, 2010. The loan is secured by way of first charge over movable & immovable fixed assets and second pari passu charge over current assets and further additionally secured by equitable mortgage over company immovable property at Plot No. 150, Urban Estate, Sector-44, Gurgaon, Haryana.

The above loans are secured by way of personal guarantee of directors viz. Mr. J. P. Minda, Mr. Anil Minda & Mr. Ashwani Minda).

c) Vehicle loans are secured by hypothecation of vehicles financed.

6 Other long-term liabilities

	(Amount in `)	
	March 31, 2012	March 31, 2011
Advance from customers*	28,360,040	23,973,195
* includes advance received from related party (refer note 38)	28,360,040	23,973,195

7 Long-term provisions

	(Amount in `)	
	March 31, 2012	March 31, 2011
(a) Provision for employee benefits (refer note 34)		
(i) Provision for gratuity (funded)	2,999,732	-
(ii) Provision for leave encashment	8,049,805	6,734,070
(b) Provision - Others	11,049,537	6,734,070
(i) Provision for warranty (refer note 49)	5,261,358	-
	5,261,358	-
	16,310,895	6,734,070

8 Short-term borrowings
Secured

	(Amount in `)	
	March 31, 2012	March 31, 2011
Loans from banks		
- Foreign currency buyers credits	137,894,008	89,384,278
- Working capital loan	42,500,000	40,000,000
- Purchase orders discounted	288,799,419	198,484,403
- Cash credit/overdraft	27,077,260	39,501,867
	496,270,687	367,370,548

Unsecured

Loans from others	40,000,000	40,165,473
	40,000,000	40,165,473
	536,270,687	407,536,021

JAY USHIN LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

a) Short term borrowings have been facilitated by followings banks which are secured as mentioned below:

Bank	Purchase orders discounted	Cash credit / Overdraft	Foreign currency buyers credits	Working capital loan
ICICI Bank (overall limit ` 60,000,000)	First pari-passu charge on the current assets of the Company. Second pari-passu charge over all present and future moveable assets of the company sharing with other bankers and further secured by second parri-passu charge over the property at Plot No.4, Sector -3, IMT-Manesar.			Not Applicable
Kotak Mahindra Bank (overall limit ` 278,500,000)	First pari-passu charge on the current assets of the Company. Second pari-passu charge over all present and future moveable assets of the company sharing with other bankers and further secured by second pari-passu equitable mortgage charge on immoveable properties being land and building situated at GP-14, Industrial Estate, Sector-18, Gurgaon, Haryana and Plot No.D-1/2 in the Sipcot's Industrial Park at Sriperumbudur			Not Applicable
Standard Chartered Bank (overall limit ` 130,000,000)	First pari-passu charge on the current assets of the Company. Second pari-passu charge over all present and future moveable assets including land and building at Gurgaon, Manesar and Chennai		Not Applicable	Not Applicable
Yes Bank (overall limit ` 150,000,000)	Not Applicable	Not Applicable	First pari-passu charge on the current assets of the Company. Second pari-passu charge over all present and future moveable assets (excluding those charged to other bankers of the company) sharing with other bankers.	

The above short term borrowings are further secured by the personal guarantee of directors viz. Mr. J. P Minda, Mr. Anil Minda and Mr. Ashwani Minda

b) Unsecured loan from others carries interest @ 8.25 % p.a. during the year ended March 31, 2012.

9 Trade payables

	March 31, 2012	(Amount in `) March 31, 2011
Trade payables (refer note 41 for details of dues to micro, small & medium enterprises)*	791,744,337	761,204,073
	791,744,337	761,204,073

* Includes payable to related parties (refer note 38)

10 Other current liabilities

	March 31, 2012	(Amount in `) March 31, 2011
Current maturities of long-term debt (refer note 5)	108,424,548	76,827,691
Interest accrued but not due on borrowings	5,651,833	11,020,953
Book overdraft	16,098,471	11,589,138
Statutory dues	23,896,495	24,105,453
Employee related payables	21,389,131	19,747,723
Unpaid dividends*	957,263	815,299
Royalty payable	30,822,569	26,522,320
Payables towards capital goods (refer note 41)	16,363,440	7,142,469
Payables for expenses (refer note 41)	52,574,049	43,941,879
Total	276,177,799	221,712,925

* Not due to be transferred to Investor Education and Protection Fund

11 Short-term provisions

	March 31, 2012	(Amount in `) March 31, 2011
Provision for employee benefits (refer note 34)		
Provision of gratuity (funded)	1,684,525	3,863,526
Provision for leave encashment	1,064,321	485,600
Provision for warranty (refer note 49)	5,261,358	-
Provision for proposed equity dividend	-	11,593,500
Provision for tax on proposed dividends	-	1,880,756
	8,010,204	17,823,382

JAY USHIN LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

12. Tangible assets

	Gross block (at cost)		Depreciation		Net Block	
	As at April 1, 2011	As at March 31, 2012	As at April 1, 2011	Depreciation for the year	As at March 31, 2012	As at March 31, 2011
A. Owned assets						
Freehold land	50,690,884	57,309,599	-	-	-	50,690,884
Building ** #	170,198,129	170,198,129	35,491,429	5,684,616	41,176,045	134,706,700
Leasehold improvements	78,435,817	78,435,817	7,589,562	2,619,756	10,209,318	70,846,255
Plant and machinery #	410,440,744	55,954,232	2,713,212	40,585,016	61,301	231,404,735
Dies	398,608,274	94,676,602	20,819,468	43,687,907	269,094	218,463,063
Furniture and fixtures	14,144,427	1,222,057	6,077,676	826,575	6,904,251	8,066,751
Office equipment	11,844,644	1,278,053	5,456,776	595,801	6,052,577	6,387,868
Vehicles	32,868,673	4,359,553	13,543,027	3,049,184	14,913,913	19,325,646
Temporary structure	3,494,970	609,792	3,494,970	325,001	3,819,971	-
Computer	10,110,002	1,717,241	4,417,812	1,670,267	6,088,079	284,791
	1,180,836,564	166,436,245	27,186,986	99,044,123	2,008,693	787,797,920
						745,584,092
B. Assets under lease						
Leasehold land *	7,100,075	7,100,075	394,449	71,718	466,167	6,633,908
	7,100,075	7,100,075	394,449	71,718	466,167	6,705,626
Total	1,187,936,639	166,436,245	27,186,986	99,115,841	2,008,693	752,289,718
Previous year	1,083,546,603	138,744,591	34,354,555	87,834,587	644,446	752,289,718

Tangible assets, are subject to first pari passu charge to secure the company's long term borrowings referred in note 5 as secured term loan from bank.

* Land measuring 6.68 acres has been acquired by the company under a lease agreement with State Industries Promotion Corporation of Tamil Nadu Limited, Chennai for a lease period of 99 years commencing from October 10, 2005. The premium paid and other expenses incidental to the acquisition are amortised over the period of the lease.

** Depreciation for the year includes prior period depreciation amounting to ₹ Nil (previous year ₹ 322,730)

includes following assets which have been leased out under an operating lease arrangement

	As at March 31, 2011		As at March 31, 2012		Amortisation		Net Block	
	Gross Block	Accumulated depreciation	Gross Block	Accumulated depreciation	As at April 1, 2011	Amortisation for the year	Deletions/ Adjustments	As at March 31, 2012
Building	116,027,695	20,489,633	106,956,440	15,703,878	91,252,562			
Plant and machinery	16,178,640	11,618,545	16,178,640	9,945,674	6,232,966			
	132,206,335	32,108,178	123,135,080	25,649,552	97,485,528			
13. Intangible assets								
Computer software	1,798,960	1,734,944	1,245,920	384,869	1,630,789			
Technical fees	16,209,492	-	16,209,492	-	16,209,492			
Total	18,008,452	1,734,944	17,455,412	384,869	17,840,281			
Previous year	17,943,615	64,837	15,915,040	1,540,372	17,455,412			

JAY USHIN LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

14 Non-current investments (Non trade, valued at cost)		(Amount in `)			
		March 31, 2012	March 31, 2011		
60,000 (previous year 60,000) equity shares of ` 10 each in Inapax Private Limited		600,000	600,000		
		600,000	600,000		
15 Long-term loans and advances (Unsecured, considered good)		(Amount in `)			
		March 31, 2012	March 31, 2011		
Security deposits		6,590,548	6,459,818		
Tooling advance given		10,608,597	7,300,597		
Capital advances		136,561,888	30,449,063		
Advance income tax (net of provision of ` 42,448,453 (previous year ` 95,046,327))		20,793,462	19,630,937		
		174,554,495	63,840,415		
16 Other non current assets		(Amount in `)			
		March 31, 2012	March 31, 2011		
Non-current bank balances (refer note 19)		16,934,314	18,616,136		
Interest accrued but not due on fixed deposits		207,947	138,794		
		17,142,260	18,754,930		
17 Inventories (At lower of cost and net realisable value)		(Amount in `)			
		March 31, 2012	March 31, 2011		
Raw Materials					
At factory		389,973,456	309,975,301		
With job workers		24,665,049	20,835,404		
In transit		75,387,490	86,208,332		
Finished Goods *					
At factory		31,362,802	34,536,734		
In transit		1,635,437	-		
Stores and spares		2,332,278	1,266,776		
		525,356,512	452,822,547		
* includes excise duty provision amounting to ` 3,450,019 (previous year ` 3,225,098)					
18 Trade receivables * (Unsecured and considered good)		(Amount in `)			
		March 31, 2012	March 31, 2011		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		8,124,420	3,431,803		
Other receivables		401,916,124	283,546,051		
		410,040,544	286,977,854		
* Includes amount due from related parties (refer note 38)					
19 Cash and bank balances		(Amount in `)			
		Current		Non Current	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Cash and cash equivalents					
Balances with banks:					
- in current accounts					
	44,885,339	77,311,729		-	-
- in cash credit accounts					
	204,563	-		-	-
- in unpaid dividend accounts					
	957,263	815,299		-	-
Cash on hand					
	495,566	594,197		-	-
	46,542,731	78,721,225		-	-
Other bank balances :					
Deposits with original maturity of more than three months but realisable after twelve months from balance sheet date *					
	-	-		38,126	3,052,155
Deposits with maturity for more than three months but realisable within twelve months from balance sheet date*					
	3,191,188	-		-	-
Margin money deposit					
	-	-		16,896,188	15,563,981
	3,191,188	-		16,934,314	18,616,136
Amount disclosed under Other non-current assets (Refer note 16)					
	-	-		(16,934,314)	(18,616,136)
	49,733,919	78,721,225		-	-

* These deposits are pledged with bank for issue of bank guarantees, Letter of credits and security for loans and these are not available for use by the Company.

JAY USHIN LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

20 Short-term loans and advances
 (Unsecured and considered good)

	(Amount in `)	
	March 31, 2012	March 31, 2011
Loans and advances to employees	1,113,233	452,685
Prepaid expenses	1,990,280	1,206,101
Security deposit	694,110	515,000
Balance with excise and customs authorities	87,007,328	70,219,974
Advance to suppliers	48,435,071	227,143,295
Other loans and advances		
- Import licenses recoverable	3,897,537	5,160,191
	143,137,559	304,697,246

21 Other current assets	Current		Non Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Interest accrued but not due on fixed deposits	33,212	-	207,947	138,794
Amount disclosed under Other non-current assets (refer note 16)			(207,947)	(138,794)
	33,212	-	-	-

22 Revenue from operations

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
Revenue from operations		
Sale of products *	5,148,882,356	5,075,121,603
Less: Excise duty	564,733,775	563,461,258
	4,584,148,581	4,511,660,345
Other operating revenues		
Scrap sales	7,244,246	16,076,296
Less: Excise duty	662,134	1,464,944
	6,582,112	14,611,352
Revenue from operations (net)	4,590,730,693	4,526,271,697

*** Finished goods sold**

Lock sets and components (4 wheelers and 2 wheelers)	2,169,432,827	1,905,541,652
Door latches and components	1,299,147,182	1,447,479,053
Combination Switch	36,928,249	43,678,584
Switches (4 wheelers and 2 wheelers)	496,596,027	456,274,892
Heater control panel and component	344,566,638	470,492,233
Others	237,477,658	188,193,931
	4,584,148,581	4,511,660,345

23 Other income

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
Interest income on:		
- fixed deposits	1,446,862	1,140,637
- Income tax refunds	3,129,956	-
- Others	-	110,390
Dividend income	120,000	120,000
Insurance claim	2,991	35,942
Net gain on sale of fixed assets	-	15,359,473
Rent received from leased buiding (refer note 37)*	70,468,654	60,992,934
Rent received from leased plant and machiney (refer note 37)	1,617,864	1,617,864
Income from import licenses	7,989,057	6,795,788
Other income	244,000	-
	85,019,384	86,173,028

* Includes rent received from related party (refer note 38)

24 Cost of raw materials and components consumed

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
Inventory at the beginning of the year	418,285,813	266,253,601
Add: Purchases	3,746,979,883	3,830,082,789
	4,165,265,696	4,096,336,390
Less: Inventory at the end of the year	492,358,273	418,285,813
Cost of raw materials and components consumed	3,672,907,423	3,678,050,577

JAY USHIN LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

25 Changes in inventories of finished goods

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
Stock at the beginning of the year	31,311,636	24,682,534
Stock at the end of the year	29,548,220	31,311,636
	1,763,416	(6,629,102)
Increase excise duty on closing stock	(224,921)	(682,798)
	1,538,495	(7,311,900)

Finished goods #

Lock sets and components (4 wheelers and 2 wheelers)	13,583,889	16,327,051
Door latches and components	10,627,459	10,936,719
Combination switch	450,183	577,767
Switches (4 wheelers and 2 wheelers) *	6,636,973	3,906,589
Heater control panel and component	1,490,906	2,788,608
Others	208,829	-
	32,998,239	34,536,734

includes excise duty of ` 3,450,019 (previous year ` 3,225,098)

* switches includes ` 1,635,437 finished goods in transit

26 Employee benefits expenses

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
Salaries, wages, bonus and allowances (refer note 34)	297,335,029	241,772,341
Contributions to provident and other funds (refer note 34)	9,007,093	5,733,759
Workmen and staff welfare expenses	24,771,982	18,556,988
	331,114,104	266,063,088

27 Finance cost

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
Interest on external commercial borrowings	7,475,651	3,627,127
Interest on term loans	6,565,273	16,911,358
Interest on buyer's credit	1,774,217	116,847
Interest on unsecured loan	2,690,978	2,322,000
Interest on vehicle loan	472,610	528,242
Interest on working capital loan and purchase orders discounting	44,469,156	28,691,192
Bank charges	1,513,565	1,540,801
Cash discount	23,720,241	24,159,994
Other interest costs	4,846,146	6,860,680
Foreign exchange fluctuation loss on borrowings (net) (net of foreign exchange fluctuation (net) of ` 27,258,191 (previous year ` nil) which has been capitalised, refer note 48)	5,448,797	406,206
	98,976,634	85,164,447

28 Depreciation and amortisation

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
Depreciation (refer note 12)	99,115,841	87,834,587
Amortisation (refer note 13)	384,869	1,540,372
	99,500,710	89,374,959
Less: Prior period expenses (included in note 30)	-	322,730
	99,500,710	89,052,229

JAY USHIN LIMITED
 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

29 Other expenses

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
Power and fuel	35,869,504	32,363,782
Job work charges	171,022,789	155,091,087
Rent including lease rentals (refer note 37)	10,966,284	2,779,637
Repairs and maintenance:		
- Buildings	6,206,317	6,788,532
- Plant and machinery	16,402,251	15,048,782
- Others	8,965,283	7,780,514
Insurance	1,495,645	1,957,330
Net loss on sale of fixed assets	1,170,126	-
Communication	2,403,360	2,208,632
Travelling and conveyance	60,625,243	45,121,716
Printing and stationery	3,594,908	3,142,417
Freight and forwarding	19,075,243	16,059,054
Foreign exchange fluctuation loss on other than borrowings (net)	28,382,705	14,322,967
Royalty	20,598,858	22,469,760
Business promotion	2,688,582	2,273,466
Legal and professional	6,433,201	4,067,924
Auditor's remuneration (refer note 39)	980,382	691,124
Bad trade receivables written off	1,363,432	680,896
Warranty (refer note 49)	30,463,243	3,478,515
Security charges	5,026,655	4,203,620
Miscellaneous expenses	21,689,334	21,763,646
	455,423,345	362,293,401

30 Prior period expenses

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
Amortisation (refer note 28)	-	322,730
Interest expenses	-	2,561,181
	-	2,883,911

JAY USHIN LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012****1. BACKGROUND**

Jay Ushin Limited was established in 1986. The company started commercial production in 1989 in Joint Venture and technical collaboration with U-shin Limited, Japan. The Company is primarily in the business of manufacturing and sale of automotive components of Automobiles for two wheeler and four wheeler. The Company is listed on Bombay stock exchange.

The financial statements reflect the results of the activities undertaken by the Company during the year April 1, 2011 to March 31, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(a) Basis of preparation*

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provision of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except the change in policy relating to foreign currency transactions as mentioned in para (k).

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based upon management's best knowledge of current events and actions the company may undertake in future, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(c) Tangible fixed assets

Tangible assets are stated at their cost of acquisition less accumulated depreciation and accumulated impairment losses thereon, if any. Cost includes all cost incurred to bring the assets to its present location and condition.

(d) Intangible fixed assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and accumulated impairment losses thereon, if any. Cost includes all cost incurred to bring the assets to its present location and condition. An intangible asset is recognized where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

(e) Depreciation / Amortisation

Depreciation/amortisation is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation/amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard of fixed assets is provided for upto the date of sale, deduction or discard of fixed assets as the case may be.

All assets costing ` 5,000 or less individually are depreciated at the rate of 100% on pro-rata basis.

The Company capitalises the technical know-how fee paid to the foreign collaborators at cost which is written off to revenue over the period of agreement or seven years whichever is shorter.

Costs relating to Software, which are acquired, are capitalised and amortised on a straight line basis over the useful life of the assets at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(f) Impairment of assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization), if no impairment loss had been recognised.

JAY USHIN LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) *Investments*

Accounting treatment

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Classification in the financial statements

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

(h) *Revenue recognition*

- a. Revenue from sale of goods (including scrap sales) is recognised on delivery of the merchandise to the customer, when the significant risk and rewards of the ownership of goods have been transferred to the buyer. Sales are net off discounts, sales return and sales tax/ value added tax.
- b. Revenue in respect of insurance claims and excise & custom duty refund claim are recognised as and when the same are received
- c. Dividend income is recognised, when the right to receive the same is established.
- d. Interest on fixed deposits is recognised using the time proportion method, based on interest rates implicit in the transaction.
- e. Export benefits with respect to duty exemption pass book licenses purchased is recognised as revenue on a proportionate basis based on utilization of such Licenses.
- f. Lease income is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss.

(i) *Inventories*

Raw material, packing material, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost of finished goods includes excise duty. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

Cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

Cost is determined on first in first out basis.

(j) *Borrowing Costs*

Borrowing costs are determined in accordance with the provisions of Accounting Standard - 16. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

JAY USHIN LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012***(k) Foreign currency transactions*

Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currencies as at the year end are translated at the rates prevailing as on the date of balance sheet. Non-monetary items denominated in foreign currencies are carried at cost. Any income or expense arising on account of exchange differences either on settlement or on translation of transaction is recognized in the Statement of Profit and Loss.

Consequent to the notification issued by the Ministry of Corporate Affairs on December 29, 2011, the Company adopted the option given in paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2011. Accordingly, the exchange difference on foreign currency denominated long term borrowings relating to acquisition of depreciable capital assets are adjusted in the carrying cost of such assets and the exchange difference on other long term foreign currency monetary items is amortised w.e.f. April 1, 2011 over its tenor till maturity.

*(l) Employee benefits***Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and bonus etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Long term employee benefits*i) Defined contribution plan:***Provident fund and employees' state insurance schemes:**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary (subject to a maximum basic salary of ₹ 6,500 per month per employee, as per the provisions of The Employees Provident Fund & Miscellaneous Provisions Act, 1952). These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance scheme, which is also a defined contribution scheme recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed off in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

*ii) Defined benefit plan:***Gratuity:**

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the statement of profit and loss. The expected return on plan assets is based on the assumed rate of return of such assets.

*iii) Other long term employee benefits:***Leave Encashment:**

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the end of the year using the Projected Unit Credit Method. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss.

(m) Leases

- a. **Operating Lease:** Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Where the Company is the Lessor: -

JAY USHIN LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Lease income is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss.

Where the Company is the Lessee:-

Expenses payable under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

b. Finance Lease: Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

(n) *Tax Expense*

Tax expenses comprises of Current Tax and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax law enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future where as in cases of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each balance sheet date.

Minimum Alternative Tax (MAT) payable in a year is charged to Statement of Profit and Loss as current tax. MAT is recognized as an asset in the year in which credit become eligible but only to the extent there is convincing evidence that the company will pay normal income tax during the specified period in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. MAT assets are reviewed at each balance sheet date.

(o) *Provisions, contingent liabilities and contingent assets*

Provisions

Provisions are recognized when the Company has a present obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligations and the amount has been reliably estimated. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

Contingent liabilities

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

(p) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances in hand, cash balances with bank and margin money deposited with bank.

(q) *Earnings Per Share*

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue, share split or consolidation of shares.

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

(r) **Product warranty expenses**

A provision is made for future warranty cost based on management's estimates of such future costs in respect of sales where the warranty period has not expired.

(s) **Material Events**

Material events occurring after balance sheet date and till the date of signing of financials are taken into cognizance.

31. Commitments and contingent liabilities

	March 31, 2012	(Amount in `) March 31, 2011
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	83,707,190	14,726,679
ii. Contingent liabilities		
a. Claim against the Company not acknowledged as debts*	19,913,199	11,560,417
b. Guarantees issues on behalf of the Company outstanding at the end of the year	20,000	20,000

*Represents Central Excise/Service tax demands pending in appeal/show cause notice. The Company has deposited ` 1,000,000 under protest against such demands/show cause notices. Based on the interpretations of the provisions of Excise Act and provisions of Service Tax Act with regard to demand raised, the management is of the opinion that the ultimate outcome of these proceeding will not have a material adverse effect on the company's financial position and results of operations.

There are no other material commitments.

32. Capital work in progress:

	March 31, 2012	(Amount in `) March 31, 2011
a. Assets Cost	144,343,047	66,283,826
	144,343,047	66,283,826
b. Project related expenses		
Opening Balance	6,566,304	2,453,861
Additions during the year		
Interest expenses (refer note 33)	11,962,744	4,112,443
Foreign exchange fluctuation (refer note 48)	5,976,743	
	-	-
Less: capitalisation during the year	-	-
Balance at the year end	24,505,791	6,566,304
Total (a) + (b)	168,848,838	72,850,130

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

33. Borrowing cost capitalized during the year

As per Accounting Standard 16 - Accounting, "Borrowing Cost", the Company has capitalized ₹ 11,962,744 (Previous year ₹ 4,112,443) to various fixed assets including capital work in progress in the year ended March 31, 2012.

34. Employee benefit obligations

The Company has in accordance with Accounting Standard-15 "Employee Benefits" calculated the various benefits provided to employees as under:

A. Defined contribution plans:

- i. Provident Fund
- ii. Employee state insurance plan

The provident fund and the employees' state insurance defined contribution plan are operated by the Regional Provident Fund Commissioner and Regional Director of ESIC respectively.

The Company has recognized the following amounts in the Statement of profit and loss for the year:

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
i. Contribution to Provident Fund*	4,627,693	3,885,873
ii. Contribution to Employee State Insurance Scheme#	1,613,946	1,238,159

* Included in Contribution to Provident and other funds under Employee benefit expenses (note 26)

Included in Salaries, wages, bonus and allowances under Employee benefit expenses (note 26)

B. Defined benefits plans

Gratuity

Employees are entitled to gratuity computed as fifteen days salary for every completed year of service or part thereof in excess of six months and is payable on retirement/termination. The benefit vests after five years of continuous service. The Company has taken a Group Gratuity Policy from LIC of India and makes contribution to LIC of India to fund its plan.

C. Other long term employee benefits

Leave Encashment

Leave Encashment is payable to eligible employees who have earned leaves during the employment and/or on separation as per the Company's policy. Liability has been accounted for on the basis of Actuarial valuation certificate for the balance of earned leaves at the credit of employees at the end of the year.

The following table sets out the funded status of the defined benefit schemes and the amount recognized in the financial statements:

I. Change in present value of obligation

Particulars	Gratuity (funded)		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Present value of obligation at the beginning of the year	14,827,429	12,524,959	7,219,670	6,138,603
Current service cost	2,750,880	2,174,495	1,527,840	1,330,437
Interest cost	1,297,400	1,030,478	631,721	506,454
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Plan amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (gains) / losses	1,398,731	(468,057)	237,595	(218,933)
Past service cost	-	-	-	-
Benefits paid	(1,346,769)	(434,446)	(502,700)	(536,891)
Present value of obligation at the end of the year	18,927,671	14,827,429	9,114,126	7,219,670

JAY USHIN LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

II. Change in fair value of plan assets:

(Amount in `)

Particulars	Gratuity (funded)		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Plan assets at beginning of the year	10,963,903	9,262,664	-	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	1,067,530	889,030	-	-
Actual company contributions	3,558,669	1,246,655	-	-
Actuarial gain / (loss)	81	-	-	-
Benefits paid	(1,346,769)	(434,446)	-	-
Plan assets at the end of the year	14,243,414	10,963,903	-	-
Actual return on plan assets	1,067,611	889,030	-	-

III. Expenses recognised in the Statement of Profit and Loss for the year

(Amount in `)

Particulars	Gratuity (funded)		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Current service cost	2,750,880	2,174,495	1,527,840	1,330,437
Interest cost	1,297,400	1,030,478	631,721	506,454
Expected return on plan assets	(1,067,530)	(889,030)	-	-
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	1,398,650	(468,057)	237,595	(218,933)
Expense recognized in the statement of profit & loss	4,379,400	1,847,886	2,397,156	1,617,958
Actual contribution and benefit payments for year				
Actual benefit payments	1,346,769	434,446	502,700	536,891
Actual contributions	3,558,669	1,246,655	-	-

IV. Amount recognised in the Balance Sheet

(Amount in `)

Particulars	Gratuity (funded)		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Present value of obligation at the end of the year	18,927,671	14,827,429	9,114,126	7,219,670
Fair value of plan assets at the end of the year	14,243,414	10,963,903	-	-
Funded status [Surplus / (Deficit)]	(4,684,257)	(3,863,526)	(9,114,126)	(7,219,670)
Unrecognized past service costs	-	-	-	-
Net asset / (liability) recognized in the Balance Sheet	(4,684,257)	(3,863,526)	(9,114,126)	(7,219,670)
Amount classified as:				
Long term provision (note 7)	(2,999,732)	-	(8,049,805)	(6,734,070)
Short term provision (note 11)	(1,684,525)	(3,863,526)	(1,064,321)	(485,600)

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

V. Actuarial Assumptions

(Amount in `)

Particulars	Gratuity (funded)		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
a) Economic Assumptions:				
Discount rate (p.a.)	8.75%	8.25%	8.75%	8.25%
Rate of escalation in salary (p.a.)	6%	6%	6%	6%
Expected return on plan assets (p.a.)	9.25%	8.79%	-	-
b) Demographic Assumptions:				
Normal Retirement age	58 years	58 years	58 years	58 years
Mortality	LIC 94-96 ultimate			
Withdrawal rates (p.a.)				
18 to 30 years	18%	18%	-	-
31 to 44 years	10%	10%	-	-
44 to 58 years	2%	2%	-	-

VI. Experience Adjustments

(Amount in `)

Particulars	Gratuity (funded)		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Present value of obligation	18,927,671	14,827,429	9,114,126	7,219,670
Fair value of plan assets	14,243,414	10,963,903	-	-
Surplus / (Deficit)	(4,684,257)	3,863,526	(9,114,126)	(7,219,670)
Experience adjustments on plan liabilities- loss / (gain)	2,143,446	-	591,360	-
Experience adjustments on plan assets- loss / (gain)	40,251	-	-	-

35. Earnings per share

The calculation of Earnings per share has been made in accordance with Accounting Standard (AS) - 20. Statement on calculation of Basic and Diluted EPS is as under:

Earnings per share (before extraordinary item)	Reference	Units	(Amount in `)	
			March 31, 2012	March 31, 2011
Profit after tax	A	`	23,371,031	101,915,535
Weighted average no. of equity shares	B	Nos.	3,864,500	3,864,500
Add: Dilutive potential equity shares	C	Nos.	-	-
Number of equity shares (of ` 10/- each) for dilutive earnings per share	D=B+C	Nos.	3,864,500	3,864,500
Basic and diluted earnings per share (A/B)			6.05	26.37

36. Segment reporting

The Company has identified one reportable business segment as primary segment, namely manufacturing and sale of automobile components. The segment has been identified and reported taking into account the nature of products, the deferring risks and returns, the organisation structure and the internal financial reporting systems.

The Company has identified its geographical segments as secondary segments. As the Company sells its products outside India, the secondary segment is based on location of its customers. Information on geographic segments is as follows:

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Location	Year ended	(Amount in `)
	March 31, 2012	Year ended March 31, 2011
Domestic Sales	4,543,678,908	4,515,657,695
Rest of Asia	38,055,635	10,588,178
America	8,996,150	25,824
	4,590,730,693	4,526,271,697

Information on assets has not been provided by location of customers as such information is not realistically allocable and identifiable.

37. Leases
A. As lessee:

The Company has entered into cancellable operating lease arrangements which can be terminated by either party after giving due notice for office space and residential accommodations for company directors. The lease rent expense recognised during the year amounts to ` 10,966,284 (previous year ` 2,779,637).

B. As Lessor:

The Company has given office space and plant and machinery on cancellable lease terms. Other income includes income from operating lease ` 72,086,518 (previous year ` 62,610,798).

38. Related party disclosure

The disclosures as required by the Accounting Standard-18 (Related Party Disclosure) are given below:-

a. Names of related parties

Relationship	Name of related party
(i) Joint Venturer Company	: U-shin Limited, Japan
(ii) Key Management Personnel ('KMP') and their relatives	: Mr. Jaideo Prasad Minda (Chairman) Mr. Anil Minda (Whole Time Director) Mr. Ashwani Minda (Managing Director) Mr. Satoru Gokuda (Whole Time Director)
(iii) Enterprise over which Key Managerial Personnel and their relatives are able to exercise significant influence	: Jay FE Cylinders Limited JNS Instruments Limited Modern Engineering Works Jushin Enterprises Jaycon Engineers Kaashvi Industries Jay Autocomponents Limited

b. Included in the financial statements are the following amounts relating to transactions with related parties:

Transactions with related parties	Year ended	(Amount in `)
	March 31, 2012	Year ended March 31, 2011
a) Revenue from operations		
Joint Venturer Company		
Sale of finished goods	8,163,288	1,493,729
Sale of fixed assets	-	4,710,043
Job Work Income	35,000	-
Enterprises over which key managerial personnel and their relatives are able to exercise significant influence		
Sale of finished goods		
- JNS Instruments Limited	929,938	8,950,928

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- Jushin Enterprises	3,719,096	4,887,710
- Jay Autocomponents Limited	110,857,378	95,107,433
- Others	-	235,914
Sale of scrap		
- Jay Autocomponents Limited	63,352	2,047,127
Sale of fixed assets		
- Jay Autocomponents Limited	6,071,643	19,902,765
- Others	-	317,989
Rent received from leased buiding		
- JNS Instruments Limited	67,395,558	58,777,422
- Others	2,437,096	2,215,512
Reimbursements received		
- JNS Instruments Limited	279,493	-
- Jay FE Cylinders Limited	89,225	9,580
- Others	-	16,200
b) Purchases		
Joint Venturer Company		
Purchase of components	1,785,741	301,724
Purchase of consumables	-	389,800
Enterprises over which key managerial personnel and their relatives are able to exercise significant influence		
Purchase of raw materials		
- Jay Autocomponents Limited	38,148,372	11,933,122
Purchase of components		
- Jushin Enterprises	2,671,118	3,593,838
- Jay Autocomponents Limited	562,639,267	500,658,216
- Others	-	15,779,725
Purchase of consumables	465	8,279
Purchase of fixed assets		
- Jaycon Engineers	2,563,155	350,959
- Others	256,160	272,333
c) Expenditure		
Joint Venturer Company		
Royalty	20,598,858	22,467,084
Job work charges	-	108,794
Payment of technical assistance fees & other fees (included in other expenses)	5,886,616	6,555,513
Legal and professional charges	59,422	-
Testing Charges (included in other expenses)	8,025,744	3,706,657
Reimbursement of expense incurred on behalf of the Company	1,011,038	1,073,929
Key managerial personnel		
Directors' Remuneration*		
- Mr. J.P. Minda	3,528,207	3,322,046
- Mr. Anil Minda	3,636,399	3,378,264
- Mr. Ashwani Minda	3,553,407	3,318,397
- Mr. Satoru Gokuda	1,200,000	849,879

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
Enterprises over which key managerial personnel and their relatives are able to exercise significant influence

Job work charges		
- Modern Engineering Works	40,994,190	35,634,204
- Jay Autocomponents Limited	20,700,058	20,286,960
Reimbursement of expense incurred on behalf of the Company		
- JNS Instruments Limited	5,340,891	4,791,900
- Others	105,880	103,820
Maintenance Expenses	11,691	-

Balance outstanding as at year end
a) Payables

Joint Venturer Company	26,633,544	5,243,105
Key managerial personnel	32,669	755,643
Enterprises over which key managerial personnel and their relatives are able to exercise significant influence		
- Modern Engineering Works	10,305,793	11,320,744
- Jay Autocomponents Limited	36,406,902	-
- Others	331,730	742,310

b) Advances received from customer

Joint Venturer Company	6,600,000	6,600,000
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c) Receivables

Enterprises over which key managerial personnel and their relatives are able to exercise significant influence		
- JNS Instruments Limited	27,024,578	4,891,449
- Jay Autocomponents Limited	-	37,971,233
- Others	2,739,273	3,452,986

* The contribution to gratuity and leave encashment has been made on a group basis and separate figures applicable to an individual employee are not available. Therefore, the contribution to gratuity fund and leave encashment has not been considered in the above disclosure.

39. Auditor's remuneration (excluding service tax)

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
Statutory audit	450,000	460,000
Tax audit	100,000	100,000
Limited reviews	250,000	40,000
Reimbursement of expenses	180,382	91,124
	980,382	691,124

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

40. In accordance with Accounting Standard 22 "Accounting for Taxes on Income" the net decrease in deferred tax liability of ` 8,638,811 has been recognized as benefit in the Statement of Profit and Loss. The effect of significant timing difference as at March 31, 2012 that reverse in one or more subsequent years give rise to the following net deferred tax liability:

	March 31, 2012	(Benefit)/ charge for the year	(Amount in `) March 31, 2011
Deferred tax liabilities			
- On account of written down value of fixed assets as per Income Tax Act, 1961 and total of net block of tangible and intangible assets as per financials statements	(48,352,264)	(2,537,213)	(50,889,477)
Total (A)	(48,352,264)	(2,537,213)	(50,889,477)
Deferred tax assets			
- Provision for gratuity	1,519,807	(180,669)	1,339,138
- Provision for leave encashment	2,957,078	(614,656)	2,342,422
- Royalty	10,000,385	(1,395,219)	8,605,166
- Provision for bonus	714,166	(496,958)	217,208
- Provision for warranty	3,414,096	(3,414,096)	-
Total (B)	18,605,532	(6,101,598)	12,503,934
Deferred tax liability (net) (A+B)	(29,746,732)	(8,638,811)	(38,385,543)

41. In terms of notification no. G.S.R. 719(E) dated November 16, 2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2012 are as follows:

	March 31, 2012	(Amount in `) March 31, 2011
Balance of Sundry Creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others		
Trade payables	791,744,337	761,204,073
Payable for expenses	52,574,049	43,941,879
Payable for capital expenditure	16,363,440	7,142,469
Total	860,681,826	812,288,421
Interest accrued and due at the end of the year		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to others	-	-
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Total	-	-
Paid during the year		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
- Principal amount	-	-
- Interest thereon	-	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Others		
- Interest accrued in the prior year and paid during the year	-	-
- Interest accrued during the year and paid during the year	-	-

JAY USHIN LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

42. The Company's foreign currency exposures as at the year end that has not been hedged by any derivative instrument or otherwise are as follows:

	Year ended March 31, 2012 (`)	Year ended March 31, 2011 (`)		Year ended March 31, 2012 (FC)	Year ended March 31, 2011 (FC)
Receivable in Foreign Currency					
Trade receivables	15,182,898	6,205,824	AED	952,944	393,400
			JPY	84,362	822,900
			EUR	23,833	6,437
			USD	11,110	15,929
Payable in Foreign Currency					
Trade payables	133,263,536	159,441,345	JPY	137,611,624	215,203,372
			EUR	184	9,684
			USD	901,906	909,091
External Commercial Borrowings	197,016,339	182,646,504	JPY	312,352,500	333,540,000
Buyer's Credit	137,894,008	89,384,277	USD	1,333,489	571,398
			JPY	105,510,195	124,160,679
			EUR	38,640	-

43. Value of imported and indigenous raw material, Components and stores and spares consumed:

	March 31, 2012		March 31, 2011	
	Value	% of Total value	Value	% of Total value
(Amount in `)				
Raw materials				
Imported	168,539,987	38.46	113,191,477	19.84
Indigenous	269,673,344	61.54	457,394,379	80.16
	438,213,331	100.00	570,585,856	100
Components				
Imported	611,224,241	19.10	566,986,987	18.35
Indigenous	2,588,182,165	80.90	2,522,386,773	81.65
	3,199,406,406	100.00	3,089,373,760	100
Spare parts				
Indigenous	35,287,686	100	18,090,961	100
	35,287,686	100	18,090,961	100
	3,672,907,423		3,678,050,577	

44. C.I.F. value of imports (excluding material in transit)

	Year ended March 31, 2012	Year ended March 31, 2011
	(Amount in `)	
i) Raw material	173,025,777	192,280,447
ii) Components	565,450,878	471,082,626
iii) Capital goods	25,088,943	16,935,979
	763,565,598	680,299,052

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
45. Net dividend remitted in foreign currency

Year of remittance (ending on)	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
Period to which it relates	2010-11	2009-10
Number of non resident shareholder	1	1
Number of equity shares held on which dividend was due	1,004,645	1,004,645
Amount remitted (`)	3,013,935.00	2,511,612.50

46. Expenditure in foreign currency

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
i) Travelling	13,370,745	10,347,051
ii) Technical assistance fees and other fees	13,980,383	13,275,791
iii) Royalty	20,598,858	22,469,760
iv) Interest Expenses	13,877,456	3,743,974
v) Others	2,002,272	2,029,198
	63,829,714	51,865,775

47. Earnings in foreign currency

	(Amount in `)	
	Year ended March 31, 2012	Year ended March 31, 2011
i) Export of goods on FOB basis	54,880,890	10,614,003
ii) Export of Job Work	35,000	-
iii) Sale of dies (tangible fixed assets)	-	19,455,429
	54,915,890	30,069,432

48. Consequent to the notification issued by the Ministry of Corporate Affairs on December 29, 2011, the Company adopted the option given in paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2011. Accordingly, the exchange difference on foreign currency denominated long term borrowings relating to acquisition of depreciable capital assets are adjusted in the carrying cost of such assets and the exchange difference on other long term foreign currency monetary items is amortised w.e.f. April 1, 2011 over its tenor till maturity.

Consequent to the adoption of the policy, the company has transferred foreign exchange fluctuation loss (net) of ` 21,281,448 (previous year nil) during the year ended March 31, 2012 to depreciable capital assets and foreign exchange fluctuation loss (net) of ` 5,976,743 to capital work in progress.

Had the Company continued with the earlier policy of charging exchange difference on long term borrowings, the impact of the same on the current year financial statements would be as follows:

- a) The foreign exchange fluctuation loss, net would have been higher by ` 27,258,191
- b) Depreciation for the year would have been lower by ` 1,894,996
- c) Current tax would have been lower by ` 3,539,544
- d) Deferred tax benefit would have been higher by ` 970,266
- e) Profit after tax would have been lower by ` 20,853,385

JAY USHIN LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

49. The company has recognized provision for expected warranty claims on products sold during the last two years as per warranty period on respective models, based on past experience of level of repairs and returns. Assumption used to calculate the provision for warranties are based on current sales level and current information available about returns based on the warranty period for all products sold.

	Year ended March 31, 2012	(Amount in `) Year ended March 31, 2011
Opening balance	-	-
Add: Provision made during the year	30,463,243	3,478,515
Less: Paid during the year	19,940,527	3,478,515
Closing balance	10,522,716	-
Amount classified as:		
Short term provisions	5,261,358	-
Long term provisions	5,261,358	-

50. The financial statements for the year ended March 31, 2012 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act, 1956 ('the Act'). During the year, the revised Schedule VI notified under the Act has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to the current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has a significant impact on presentation and disclosures made in the financial statements.

As per our report of even date
For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.: 103523W

For and on behalf of board of directors of Jay Ushin Limited

Raj Kumar Agarwal
Partner
Membership No.: 074715

J.P.Minda
Chairman

Ashwani Minda
Managing Director

R.K. Gupta
AGM (Finance)

Place: Gurgaon
Date: September 01, 2012

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 26th Annual General Meeting of the Company at Clark Greens, G1, Pushpanjali Farm, Dawarka Link Road, Bijwasan, New Delhi-110037 on Saturday, September 29, 2012 at 2.30 P.M.

Name of the shareholder

Folio /Client ID No.

DP 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 ofbeing a Member/Members of the above named Company hereby appointof in the district of or failing him of in the district of as my/our Proxy to attend on my/our behalf the 26th Annual General Meeting of the Company to be held on Saturday, September 29, 2012 at 2.30 P.M at Clark Greens, G1, Pushpanjali Farm, Dawarka Link Road, Bijwasan, New Delhi-110037.

Folio /Client ID No.

DP ID No.

Signature

Address

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.

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Stamp

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Book Post

If undelivered please return to ;

JAY USHIN LIMITED

**GI-48, G.T. KARNAL ROAD,
INDUSTRIAL AREA, DELHI-110 033**