



# ANNUAL REPORT AND ACCOUNTS

Board of Directors
Bhagat Singh Dugar
R. Mazumdar
Rahul Dugar
Mohan Z. Kothari

**Bankers**Bank of India

Auditors
R. A. SINGH & ASSOCIATES
Chartered Accountants,
Mumbai

Registered Office
405 & 406, Sharda Chambers,
15, Vir Vitthaldas Thackersey Marg,
New Marine Lines,
Mumbai - 400 020.

Factory
L-3, MIDC Industrial Area, Chikalthana,
Aurangabad - 431 210. Maharashtra

Registrar For the Depository Scheme
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.

ISIN No.
INE 280 F 01019 with CDSL

Scrip Code (BSE) 505212

#### NOTICE

Notice is hereby given that the 64th Annual General Meeting of the shareholders of JAINEX AAMCOL LIMITED will be held at Kilachand Conference Room, Indian Merchants Chamber, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400 020 on Saturday, the 29th day of, September, 2012 at 3.00 p.m. to transact the following business:

### **AS ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Statements of Accounts of the company for the year ended 31<sup>st</sup> March 2012 and the reports of Directors and Auditors thereon.
- 2. To appoint shri Rahul Dugar Director who retires by rotation and being eligible offers him self for re-appointment.
- 3. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution:

"RESOLVED that Messrs. R. A. Singh & Associates, Chartered Accountants, Mumbai, FRN 110271W, be and are hereby re-appointed as Auditors of the company to hold office until the conclusion of the next Annual General Meeting of the company at a remuneration to be mutually agreed between the Directors of the company and the Auditors".

#### BY ORDER OF THE BOARD

(R. MAZUMDAR)
MANAGING DIRECTOR

REGISTERED OFFICE 405/406, Sharda Chambers, 15, Sir V.T. Marg, New Marine Lines Mumbai – 400 020, Maharashtra.

PLACE: Mumbai

DATED: 31" July, 2012

**NOTES:** 

proxy to attend and on poll to vote instead of himself and proxy need not be a Member of the Company.

- Members are requested to immediately intimate change of address, if any, to the Registrars & Share Transfer Agent of the Company, at M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078.
- In accordance with the provisions of section 205A of the Companies Act, 1956, there are no unpaid dividends required to be deposited into the Investor Education and Protection Fund of the Central Government.

#### **DIRECTORS' REPORT**

#### TO THE SHAREHOLDERS

Your Directors present their Annual Report together with Audited Accounts of the company for the year ended 31\* March, 2012

	2012 Rs in lacs	2011 Rs in lacs
a) Revenue from operations	1361.05	1190.33
b) Other Income	12.28	4.14
	1373.33	1194.47
Operating Profit before Extraordinary items and Tax	94.34	32.48
Less : Extraordinary items	94.10	
Less : Provision for Income Tax - MAT – (net)		0.19
Add/Less: Deferred Tax (credit)	0.08	7.64
Profit for the year after tax	0.16	24.65
Add : Profit b/f from previous year	10.83	(13.82)
Balance available for appropriations	10.99	10.83
Less: Interest of Dividend Distribution Tax for previous year	-	-
Balance carried to Balance Sheet	10.99	10.83

Your Directors have to inform that the turnover of the company increased by 14% to Rs 1361.05 lacs. Further exports have increased by 100% to Rs 156.99 lacs. The EBITDA for the year under review is Rs.340.74 lacs as against Rs.242.39 lacs in previous year. Your Directors have to further report that consequent on the euro zone crises there has been a down turn in the automotive industry resulting in a demand recession. Fortune of the automotive industry are expected to revive from the third quarter of the current year.

### Allotment of equity shares at premium

The Hon'ble Bombay High Court has vide its order dated December 08,2011, sanctioned the scheme of arrangement of the company with its specified creditors for conversion of unsecured loans of Rs. 3.20 crores into 800000 equity shares of face value of Rs 10/- each at a premium of Rs 30/- per share. The Hon'ble Bombay High Court had further ordered that the said preferential allotment be done after adjudication and payment of stamp duty. The adjudication order has been received and the payment is being made within the stipulated time.

### **AUDITORS**

Messrs. R. A. Singh & Associates, Chartered Accountants, Mumbal, FRN 110271W the retiring auditors are eligible for re-appointment. The Board recommends their re-appointment.

#### **COST AUDITORS**

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Audit Report) Rules, 2011 vide its notification no GSR 430(E) dated June 03, 2011. This rules make it mandatory for industries to appoint a Cost Auditor with in 90 days of the commencement of the financial year. The Cost Audit Order No 52/26/CAB/2010 dated January 24, 2012 covers engineering machinery (electrical and electronic products) due to which the Company's manufacturing operations will get covered w.e.f. April 01, 2012. The company is in process of appointing the Cost Auditor.

#### **DIRECTORS**

Shri Rahul Dugar Director who retires by rotation and being eligible offer him self for re-appointment. The Directors recommend his re-appointment.

### **EMPLOYEE RELATIONS**

Your Directors are pleased to place on record their sincere appreciation of the sacrifice made voluntarily in the remuneration by all officers of the company to help the company tide over the global meltdown. Your Directors would also like to place on record their appreciation for the services rendered by all categories of the company's employees.

#### **BANKERS**

Your Directors would like to place on record their appreciation for the pro-active support and assistance given by the bankers, Bank of India and look forward to receive their continued support and assistance.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review. Pursuant to Section 217 (2AA) of the Companies Act, 1956, and in respect of the annual accounts for the year under review, the Directors hereby confirm that:

- a) In preparation of annual accounts, the applicable accounting standards have been followed save and except those mentioned in the Notes forming part of Accounts.
- b) They have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year.
- c) Proper and sufficient care for maintenance of adequate accounting

safeguarding the assets of the company and for preventing and detecting frauds and others irregularities have been taken to the best of their knowledge and ability

d) The annual accounts have been prepared on a "going concern basis".

### CORPORATE GOVERNANCE

The requirements of Corporate Governance are not applicable to the company in view of its paid-up capital being less than the limits specified for the purpose by the authorities.

### **ADDITIONAL INFORMATION**

a) CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO.

The information required u/s 217(1)(e) of the Company's Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 with respect of these matters is appended hereto (Annexure 1) and form part of this report.

- b) No information is to be furnished pursuant to provisions of section 217(2)(A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as there are no employees including Whole Time Directors drawing remuneration in excess of the limits prescribed in the said section/rules.
- c) The company has obtained a Compliance Certificate from a Company Secretary in whole time practice as required under sub-section (1) of Section 383A of the Companies Act, 1956 which is enclosed herewith forming part of Directors' Report.

By Order of the Board

(R.MAZUMDAR)
MANAGING DIRECTOR

(RAHULDUGAR)
DIRECTOR

PLACE: Mumbai

DATED: 31" July, 2012

Information required u/s 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

I. Conservation of Energy.

> Wherever possible energy conservation measures have already been implemented and there are no major areas where further energy conservation measure can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an ongoing basis.

H. Particulars as per Form B I.

Particulars as per Form B

- A. Research & Development (R & D)
  - Specific areas in which R & D is carried out by the Company The 1. R & D efforts of the Company are directed towards quality control, improvement of existing products and development of allied products.
  - 2. Benefits derived as a result of the above R & D. Improvement in the product quality and import substitution.
  - 3. The company has developed the manufacture of spline gauges and dry cutting hobs and are examining various measures for improvement of productivity and reduction of costs.
  - Expenditure on R & D The R & D efforts are totally integrated with the manufacturing activities including development of new products. As such R & D expenses cannot be segregated.
- B. Technology Absorption, Adaptation and Innovations.
  - 1. **Efforts**

The company had originally started manufacturing Hobs in collaboration with Messer. Klingelnberg Verzahntechnic, Gmbh of Germany and the collaboration ended in 1981. During the period of collaboration the company successfully absorbed the technology and since beginning, the company is continuing the manufacture of Gear Hobs and it is also keeping abreast with the latest technology development abroad.

2. **Benefits** 

> The company has been in a position to cater to the requirements of customers both Indian and Foreign.

- Particulars of Technology imported during the last 5 years.
   The company has not imported any technology during last 5 years. The earlier technical collaboration expired in 1981.
   There is no technical collaboration with any party at present.
- C. Foreign Exchange Earnings and Outgo
  The information on foreign exchange earnings is contained in Note No.
  27(3), (4) and (5).



25, Saibaba Shopping Centre, Keshavrao Kadam Marg, Mumbai Central, Mumbai – 400 008. Phone: 2300 6009 / 2300 6011

#### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of JAINEX AAMCOL LIMITED as at 31<sup>st</sup> March, 2012 and the Statement of Profit and loss 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.

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 mis-statement. 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.

As required by the Companies (Auditor's Report) Order 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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.
- ii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- iii) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable and read with notes forming part of the accounts.
- iv) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Accounting Policies and Notes forming part of the accounts; give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- JAINEX AAMCOL LIMITED in the case of the Balance Sheet, of the state of affairs of the Company as at 31" March, 2012,
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for R. A. SINGH & ASSOCIATES **CHARTERED ACCOUNTANTS** 

> R. A. SINGH (PROPRIETOR)

FRN 110271W

Place: Mumbai Date : 31" July, 2012 Statement on the Companies (Auditor's Report) Order, 2003

#### Annexure

### Re: JAINEX AAMCOL LIMITED

### Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than furniture & fixtures and office equipments.
  - (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The company has not disposed off substantial part of fixed assets during the year and therefore the question of affecting the status of going concern of the company does not arise.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has taken loans from body corporates, a firm, shareholders and directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 691.19 lacs and the year-end balance of loans taken from such parties was Rs. 343.19 lacs.
  - (b) In our opinion, the rate of interest (paid in few cases) and other terms and conditions on which loans have been taken from companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
  - (c) The company is regular in repaying the principal amounts as stipulated or as and when required.

- (d) There is no overdue amount of loans taken from companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v)

- (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 lacs or more in respect of each party.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public. The company has, however, taken loans from shareholders and body corporates which are under exempt category and also from a firm whose two major partners are shareholders/directors and therefore compliances under the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to such deposits are not considered for compliance by the company.
- (vii) In our opinion, internal audit system conducted by a professional firm is commensurate with the size of the company and nature of its business.
- (viii) The company is required to maintain records pursuant to the amendment rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and the same are subject to cost audit which is yet to be implemented and complied with.

(ix)

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, ESIC, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Investor Education and Protection Fund and other material statutory dues as applicable to the company.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues set out herein below in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess have been deposited by the company with the appropriate authorities on account of disputes.

Name of Statute	Nature of Dues		Amount in Rs. lacs paid under protest		Forum were disputes is pending
Customs	Custom Duty	7.14	2.00	2008-2009	Commissioner of Customs - (Appeals)

- (x) The company does not have any accumulated losses as at 31.03.2012 and has not incurred cash losses in the current financial year and in the immediately preceding financial 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 financial institutions, banks or debenture holders.
- (xii) The company has not granted any 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 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 are not applicable to the company.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (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 funds raised on short-term basis have, prima facie, not been used during the year for long term investments.
- (xviii) According to the information and explanations given to us, the company is in the process of making a preference allotment of 8,00,000 Equity shares of a face value of Rs. 10 each with a premium of Rs. 30 per share pursuant to a scheme of arrangement and order passed by the hon'ble High Court of Bombay on 08.12.11 to parties and companies covered in the register maintained under Section 301 of the Companies, Act, 1956 during the year. Since the said allotment is being made in pursuance of

High Court order with premium, the shares being allotted are not prejudicial to the interest of the company.

- (xix) The provisions of clause 4 (xix) of Companies (Auditors Report) Order, 2003 regarding security or charge in respect of Debentures issued are not applicable to the Company.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS

R.A.SINGH (PROPRIETOR)

Place: Mumbai

Date: 31" July, 2012

Balance Sheet as at 31st March, 2012

	Balance Sheet as at 3.	TOL IAIS		
Sr. No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
Π.	EQUITY AND LIABILITIES			
(i)	Shareholder's Funds			
`~'	(a) Share Capital	2	6993940	6993940
	(b) Reserves and Surplus	3	12603154	13697471
	(b) heselves and salpids	ا د	19597094	20691411
			1959/094	20091411
(2)	Share Application Money Pending Allotment	4	32000000	,0
(2)	State Application Money Fertaing Anotheric	7	3200000	
(3)	Non-Current Liabilities			
1 1	(a) Long-Term Borrowings	5	111956336	110777905
1 1	(b) Deferred Tax Liabilities (Net)	6	697917	642417
1	(c) Long-Term Provisions		389897	389897
1			113044150	111810219
ا ا				
(4)	Current Liabilities (a) Short-Term Borrowings	7	28280268	19073935
	(b) Trade Payables	8	16442583	15476279
		_		
1 1	(c) Other Current Liabilities	9	13340272	11813941
	(d) Short-Term Provisions	10	3268942	3393786
l	Total		61332065 225973309	49757941 182259571
] ]	iotai		223373303	102233371
11.	ASSETS			
(1)	Non-Current Assets			
`^/	(a) Fixed Assets			
i l	(i) Tangible Assets	11	159612914	101416742
	(ii) Intangible Assets		561393	670000
l l	1.7		160174307	102086742
	(b) Long Term Loans and Advances	12	2013964	14700162
	(c) Other Non-Current Assets	13	67946	123692
	1-7		2081910	14823854
				2.,,22,00
(2)	Current Assets			
	(a) Inventories	14	29323975	25360468
	(b) Trade Receivables	15	28025997	25898439
	(c) Cash and Cash Equivalents	16	3583049	913022
	(d) Short-Term Loans and Advances	17	2682469	13164242
	(e) Other Current Assets	18	101602	12804
	, ,		63717092	65348975
	Total		225973309	182259571
A	mpanying notes forming part of the accounts	Make		

Accompanying notes forming part of the accounts Note Nos. 1 to 27

As per our report of even date attached.

For R. A. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS

(R. Mazumdar) Managing Director

(R.A.SINGH) PROPRIETOR

Membership No.: 014098 Firm Reg. No.: 110271W Place: Mumbai Dated: 31st July, 2012

(Rahul Dugar) Director

Statement of Profit and Loss for the year ended on 31st March, 2012 Sr. Note FY 2011-2012 FY 2010-2011 **Particulars** No No. ₹ 19 136104842 119033416 1 **Revenue from Operations** 20 Other Income 1227814 414148 11 137332656 119447564 111 Total Revenue IV Expenses: Cost of Raw Materials Consumed 21(A) 30787665 31331643 Changes in inventories of finished goods & 21(B) -1784258 -574153 work-in-progress **Employee Benefit Expense** 22 29047193 25934194 23 **Financial Costs** 12567879 11058490 24 **Depreciation and Amortization Expense** 12072075 9932510 25 45208454 38516629 Other Expenses Total Expenses 127899008 116199313 ٧ Profit before extraordinary items and tax 9433648 3248251 26 VI **Extraordinary items** 9410370 O VII Profit before tax 23278 3248251 VIII Tax Expense: 4435 (1) Current Tax 621182 Less: MAT Credit (Entitlement) -4435 -602226 (2) Current Tax Expense relating to prior years -47893 (3) Deferred Tax 55500 764461 7607 783417 15671 2464834 IX Profit for the year X Earning per equity share:

Accompanying notes forming part of the accounts Note Nos. 1 to 27 As per our report of even date attached.

For R. A. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS

**Basic & Dialuted** 

(R. Mazumdar)
Managing Director

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(R.A.5INGH) PROPRIETOR

Membership No.: 014098 Firm Reg. No.: 110271W Place: - Mumbai Dated: - 31st July, 2012

(Rahul Dugar) Director

Cash Flow Statement for the year ended 31 March, 2012 Sr. FY 2011-2012 FY 2010-2011 **Particulars** No. A. Cash flow from operating activities 1 3248251 Net Profit / (Loss) before extraordinary items and tax 9433648 Adjustments for: Depreciation and amortisation 12016329 9876764 55746 Amortisation of share issue expenses and discount on shares 55746 (Profit) / loss on sale / write off of assets -239772 -535895 Finance costs 12567879 11058490 Interest income -118292 -162805 2 Operating profit / (loss) before working capital changes 33419415 23836674 Changes in working capital: Adjustments for (increase) / decrease in operating assets: Inventories 3963507 7857175 Trade receivables 2127558 3462638 Short-term loans and advances -10481773 -7210204 Long-term loans and advances -12686198 14700162 Other current assets 88798 12804 -16988108 18822575 Adjustments for increase / (decrease) in operating liabilities: Trade payables 966304 6505917 Other current liabilities 1526331 10149249 -124844 3393786 Short-term provisions Long-term provisions 389897 2367791 20438849 Cash flow from extraordinary items Cash generated from operations -19355899 -1616274 Net income tax (paid) / refunds 47893 -18956 52823207 3 Net cash flow from / (used in) operating activities (A) 25433992 В. Cash flow from investing activities Capital expenditure on fixed assets, -71412440 -2298202 including capital advances Proceeds from sale of fixed assets 734453 268370 Interest received 118292 162805 -9410370 Cash flow from extraordinary items Net cash flow from / (used in) investing activities (B) -79970065 -1867027

Cash Flow Statement for the year ended 31 March, 2012

_	Cash Flow Statement for the year ended 31 March, 2012				
Sr.	Particulars	FY 2011-2012	FY 2010-2011		
No.	- di dicalara	₹	₹		
C.	Cash flow from financing activities Share application money received	32000000	0		
	Proceeds from long-term borrowings	1178431	-13605329		
	Net increase / (decrease) in working capital borrowings	6448787	-426115		
	Proceeds from other short-term borrowings	2757546	720113		
	Finance cost	-12567879	-11058490		
	Net cash flow from / (used in) financing activities (C)	29816885	-25089934		
	(-,	23810863	23003334		
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2670027	-1522969		
	Cash and cash equivalents at the beginning of the year	913022	2435991		
	Cash and cash equivalents at the end of the year	3583049	913022		
	(Refer Note 15)  Reconciliation of Cash and cash equivalents with the Balance Sheet				
- 1	Cash and cash equivalents as per Balance Sheet	3583049	913022		
	(Refer Note 15)	3303043	313022		
a) b)	* Comprises: Cash on hand Balances with banks	72668	85073		
~'	(i) In current accounts	1440381	827949		
1	(ii) In earmarked accounts	2070000	0		
	(,	3583049	913022		
	Notes:				
	(i) The Cash Flow Statement reflects the combined of discounting operations.	cashflows pertaining	to continuing and		
	(ii) These earmarked account balances with banks can	be utilised only for th	e specific identified		

Accompanying notes forming part of the accounts Note Nos. 1 to 27 As per our report of even date attached.

For R. A. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS

purposes.

(R. Mazumdar)
Managing Director

(R.A.SINGH)
PROPRIETOR

Membership No.: 014098 Firm Reg. No.: 110271W Place: - Mumbai

Dated :- 31st July, 2012

(Rahul Dugar) Director

(iii) Figures for previous year have been rearranged/regrouped wherever necessary.

### Notes forming part of the Accounts (Contd.) SIGNIFICANT ACCOUNTING POLICIES

	SIGNIFICANT ACCOUNTING POLICIES			
Sr. No.	Particulars			
1	Significant Accounting Policies			
1.1	ACCOUTING CONVENTION  The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with Generally Accepted Accounting Principles, Accounting Standards prescribed by ICAI and as per the provisions of the Companies Act 1956.			
1.2	USE OF ESTIMATES 'The preparation of the financial statements require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.			
1.3	REVENUE RECOGNITION (AS - 9) Sale of goods Turnover includes excise duty, educationcess, jobwork receipts and sale of scraps and does not include VAT / CST.			
1.4	MISCELLANEOUS EXPENDITURE  Expenses related to increase in authorized share capital and issue there under are amortized overaperiod of five years.			
1.5	INVENTORIES VALUATION (AS - 2)  a) Raw materiais are valued at cost. b) Work in Progress is valued at raw material cost + overheads. c) Finished Goods are carried at lower of cost or market value which ever is less. d) Stores are taken at cost. e) Tools and Spares are taken at net of 1/3rd for usage. f) Scrap at realisable value			
1.6	CASH FLOW STATEMENT (AS - 3) Cash Flow Statement is prepared under "Indirect Method".			
1.7	CHANGE IN ACCOUNTING POLICIES (AS - 5) There is no change in accounting policy during the year.			

Notes forming part of the Accounts (Contd.)
SIGNIFICANT ACCOUNTING POLICIES (Contd.)

C- 1		SIGNIFICANT ACCOUNTING POLICIES (Contd.)
Sr. No.		Particulars
1.8	DEPRE a)	CIATION (AS - 6)  Depreciation is provided under straight line method on fixed assets except in some cases which are on WDV method as in the past in compliance with section 205 (2) (b) of the Companies, Act, 1956 at rates specified in Schedule XIV of the Companies Act, 1956 as amended from time to time.
	b)	Depreciation on additions/deletions is provided on pro-rata basis from the date of such additions/deletions.
	с)	No depreciation has been provided on fixed assets representing written down value below 5% of the original cost.
1.9	TANGI a)	BLE/INTANGIBLE FIXED ASSETS (AS-10)  Fixed Assets are stated at cost (net of cenvat wherever availed) and includes an amount of Rs.343.82 lacs added on revaluation of Fixed Assets viz. Leasehold Land, Building and Plant & Machinery of company's Unit at Aurangabad, carriedout by an approved valuer during FY 99, less accumulated depreciation. The gross and net block of fixed assets are therefore more by Rs 343.82 lacs (Rs. 346.43 lacs) and Rs. 61.07 lacs (Rs. 72.17 lacs) respectively and the corresponding effect has been given in the Revaluation Reserve Account. Depreciation (cumulative as well as for the year) on the revalued amount added to fixed assets on account of revaluation is adjusted by transfer of equivalent amount from Revaluation Reserve Account created on revaluation of fixed assets to Profit & Loss Account.
	b) Le	easehold land Is shown at revalued cost.
1.10	TRANS	ACTION OF FOREIGN CURRENCY ITEMS (AS-11)
	a)	For eign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
	b)	Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end are translated at exchange rates applicable on that date.
	c)	Non-monetary items denominated in foreign currency (such as fixed assets) are valued at forward contract exchange rate contracted for the such liability, wherever applicable.
	d)	Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the profit & loss account.
	e)	In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. diference between exchange rate at the reporting / settlement date and the exchange rate on the date of inception/ the last reporting date, is recognised as income / expense for the period.

### Notes forming part of the Accounts (Contd.) SIGNIFICANT ACCOUNTING POLICIES (Contd.)

r = -	SIGNIFICANT ACCOUNTING POLICIES (Gontd.)	
Sr. No.	Particulars	
	<ul> <li>EMPLOYEE BENEFITS (AS - 15 Revised)</li> <li>a) Defined Contribution Plan         The state governed Provident Fund Scheme, Employees State Insurance         Scheme and Employee Pension Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the year in which the employee renders the related services.     </li> </ul>	
	b) Defined benefit plan/Long Term Compensated Absences. The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation based on actuarial valuation using the Projected Unit Credit Method is not determined and an effect thereof will be provided/accounted as and when finalized.	,
	c) Compensated Absences The company has provided for the leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Liability as per actuarial valuation is not determined and any effect thereof will be provided / accounted as and when finalized. The company has no defined benefit plan for this purpose as yet.	
1.12	BORROWING COST (AS-16) Borrowing costs that are attributable to the acquisition, construction or production qualifying assets are capitalized as a part of such assets till such time as the assets are ready for their intended use. Qualifying assets are assets that necessarily require a substantial period of time to get ready for their intended use. All the other borrowing cost is recognized as an expense.	re
1.13	LEASES (AS-19) Leasehold land comprising only on account of revaluation is amortized over the per lease.	iod of
1.14	TAXES ON INCOME (AS - 22)  a) Current tax is determined as the amount of tax payable in respect of taxable income for the year, as per applicable tax rates and laws.	
	b) Deferred tax is recognized, subject to the consideration of prudence in respondence tax assets on timing differences, being the difference between tax income and accounting income that originates in one period and capable of reversal in one or more subsequent periods.	ble
1.15	DISCONTINUING OPERATIONS (AS - 24) The Company has not discontinued any operations during the year.	

Notes forming part of the Accounts (Contd.)
SIGNIFICANT ACCOUNTING POLICIES (Contd.)

		SIGNIFICANT ACCOUNTING POLICIES (Contd.)		
Sr.		Particulars		
No.				
1.16		RMENT OF ASSETS (AS-28)		
	a)	Impairment of assets has been recognized and losses if any has been charged		
		to Profit & Loss account.		
		As all and bull and the Alexander of the annual all and the Assault		
	b)	As of each balance sheet date, the carrying amount of assets is tested for		
1		impairment so as to determine -		
		i. the provision for impairment loss, if any, required, or		
		ii. the reversal, if any, required or impairment has recognized in previous		
		year.		
, ,,	DD()/	ISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29)		
1.1/	a)	The provisions are recognised and measured by using a substantial degree of		
	a)	estimation.		
	b)	Contingent liabilities and contingent assets are disclosed after a careful		
	0,	evaluation of the facts and legal aspects of the matter involved in issue.		
<b> </b>		evaluation of the facts and legal aspects of the matter involved in issue.		
1.18	BUSIN	IESS SEGMENT		
		ompany operates in a business segment viz. Gear Cutting, Special Cutting Tools		
		pline Gauges and is considered single segment operations.		
1.19	EARN	INGS PER SHARE (AS - 20)		
	Basic/Diluated earnings per share is computed by dividing the profit / (loss) after tax			
		ding the post tax effect of extraordinary items, if any) by the number of equity		
	shares	s outstanding during the year.		
1				

### JAINEX AAMCOL LIMITED Notes forming part of the Accounts (Contd.)

	Notes forming part of the Accounts (Contd.)				
Sr.	Particul	ars		'As at	As at
No.	r ai ticuit	u.,		31.03.2012	31.03,2011
	NOTE NO: 2 SHARE CAPITAL				
a)	<u>Authorised</u> 30,00,000 (30,00,000) Equity	Shares of Rs	. 10/- each.	30000000	30000000
b)	Issued, Subscribed & Paid up 6,96,338 (6,96,338) Equity Shares		h fully paid up	6963380	6963380
	Less: Calls in Arrears fro	om others		3595	3595
	·			6959785	6959785
	Add: <u>Forfeited Shares</u>				
\	13,662 (13,662) S	hares of Rs.	2.50 each	34155	34155
				6993940	6993940
c)	Reconciliation of number of shares  Shares at the beginning of the year  Add: Shares issued during the year  Less: Buy back of shares/Reduction in share capital  Outstanding shares at the year end  Shares held by each shareholder holding more than  5% of the shares			696338 0 0 696338	696338 0 0 696338
	:	31.03	.2012	31.03	.2011
		Nos. of	% of	Nos. of	% of
		Shares	hodling	Shares	hodling
	1 Madhu Bhagat Dugar 2 Jainex Foods Private Ltd 3 Rahul Bhagat Dugar 4 Purushottam Singi 5 Bhagat Singh Dugar 6 Ronojoy Mazumdar 7 Pushpa Garg 8 General Insurance Corpn. Of India	56400 53456 53500 52700 50600 49120 43546 37125	8.10% 7.68% 7.68% 7.57% 7.27% 7.05% 6.25% 5.33%	56400 53456 53500 52700 50600 49120 43546 37125	8.10% 7.68% 7.68% 7.57% 7.27% 7.05% 6.25% 5.33%

	Notes forming part of the Accounts (Contd.)				
Sr.		As at	As at		
No.	Particulars	31.03.2012	31.03.2011		
140.	•	₹	₹		
	NOTE NO: 2 SHARE CAPITAL- Contd.				
e)	Following details during the period from				
] "	01.04.2007 to 31.03.2012				
l i. l	Aggregate number and class of shares allotted as	150000	150000		
	fully paid up pursuant to contract(s) without payment				
	being received in cash.(Issued to Insurance Companies				
	in lieu of arrears of PrefrenceDividend alloted				
	on 06/04/09)		اه		
ii.	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	0	١		
iii.	Aggregate number and class of shares bought back	0	١		
131.	Aggregate number and class of shares bodgitt back	150000	150000		
f)	Terms of any securities convertible into equity/preference	3000	20000		
	shares issued along with the earliest date of conversion in				
	descending order starting from the farthest such date.	o	o		
	descending order starting from the lattices such date.		<del>-</del>		
	NOTE NO TO DESCRIPTION				
	NOTE NO: 3 RESERVE & SURPLUS				
a)	Capital Reserve				
	As per last Balance Sheet	1500000	1500000		
ь)	Carital Dadamatica Dassaca				
٠,	Capital Redemption Reserve As per last Balance Sheet	3897400	3897400		
	As per last balance sneet	3037400	3037400		
c)	Revaluation Reserve				
	As per last Balance Sheet	7217127	9406525		
	Less: Debit for depreciation on revalued portion	1109988	2120816		
	Less: Effect on account of sale of revalued machinery	0	68582		
	Closing Balance	6107139	7217127		
d)	Surplus - Profit & Loss account				
4,	As per last Balance Sheet	1082944	-1381890		
	Add : Net Profit/(Net Loss) for the current year	15671	2464834		
	Closing Balance	1098615	1082944		
		12603154	13697471		
	NOTE NO: 4 SHARE APPLICATION MONEY				
	PENDING ALLOTMENT		Ì		
	The Hon'ble Bombay High Court has vide its order		ł		
	dated December 08,2011, sanctioned the scheme		Ī		
	of arrangement of the company with its specified creditors for conversion of unsecured loans of		j		
	Rs. 3.20 crores into 800000 equity shares of face		1		
	value of Rs 10/- each at a premiumof Rs 30/- per		j		
	share. The Hon'ble Bombay High Court had further				
	ordered that the said preferential allotment be done		į <b>l</b>		
	after adjudication and payment of stamp duty. The		·		
	adjudication order has been received and the payment				
	is being made within the stipulated time.	32000000	o		
		32000000			

	Notes forming part of the Accounts (Contd.)			
Sr.			As at	As at
No.	Particulars		31.03.2012	31.03.2011
			₹	₹
	NOTE NO: 5 LONG TERM BORROWINGS		1	
	(Secured)			
	From Bank of India			
a	Rupee Term Loans		37584014	41615348
Ь	Capex LCs - Acceptances		42475645	0
	•		80059659	41615348
				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
C	Car Loan		291666	0
<u> </u>			80351325	41615348
1	Nature of Security and terms of repayme	nt for Long		
TL	Nature of Security		Term of Repaym	
11	Term Loan of ₹ 21.72 Lacs		in 22 Quarterl	
	(Previous Year ₹ 39.16 Lacs)	starting fr due on 30	om 31.03.09. La	st Instalment
1	Term Loan of ₹ 59.44 Lacs		in 24 Quarterl	y Instalments
"	(Previous Year ₹ 79.44 Lacs)		om 01.04.10. La	
	•	due on 31		3t matemicine
١٧	Term Loan of ₹ 230.00 Lacs	Repayable	jn 21 Quarterl	y Instalments
	(Previous Year ₹ 254.00Lacs)	starting fr	om 31.03.11. La	st Instalment
		due on 31		
ΙνΙ	Term Loan of ₹ 24.15 Lacs (Previous Year ₹ 43.55Lacs)		in 21 Quarterl	
	(Fievious feat & 45.55 Lacs)	starting fr	rom 30.06.09. Last Instalment .06.14.	
l vi l	Term Loan of ₹ 90.12 Lacs under DA-Capex		in 24 Quarterly	Instalments
l '' l	LC 360 days due on 27.06.12		om 31.03.2012. l	ast Instalment
1	(Previous Year ₹ Nil)	due on 31		
Vii	Term Loan of ₹ 375.15 Lacs including under			Instalments
'"	DA-Capex LC 360/720 days ₹ 334.63 Lacs		om 31.03.2013. i	ast Instalment
	(Previous Year ₹ Nil)	due on 31.12.2018.		
ll	Above Term Loans are secured by hypothecation of Plant & Machinery			
ll	acquired under specific termloans and are		a. previous year :	14 % p.a.
	collateraly secured by EquitableMortgage			
	of Land and Building situated at L/3,			
	Chikhalthana, MIDC Indl Estate, Aurangabad			
	and hypothecation of Plant and Machinery not acquired under above term loans.			
	Car Loan of Rs. 2.92 Lacs (Previous Year Rs.	Renavable	in 36 EMI startir	og from
	Nil Lacs) is secured against Tata Indigo	31.12.201	1. Last Instalmen	t due on
	Motor Car.	30.11.201		
	(Unsecured)			
c	Loans & Advances from related parties		31605011	69119051
ll				
d	Other Loans & Advances		_	
	Sales Tax Loan from Govt. of Maharashtra		이	43506
	Total	l (c to d)	31605011	69162557
	1000	. ,,		0520257
]	Tota	l (a to d)	111956336	110777905
		•		

	Notes forming part of the Accounts (Contd.)				
Sr.		As at	As at		
No.	Particulars Particulars	31.03.2012 ₹	31.03.2011		
	NOTE NO: 6 DEFERRED TAX LIABILITY				
	Tax effect on items constituting deferred tax liability				
l	On difference between book balance and tax balance				
ŀ	of fixed assets.	14296270	10834941		
		14230270	10034341		
İ	Tax effect on items constituting deferred tax assets				
	Leave Encashment	163729	213376		
	Preliminary Expenses Unabsorbed depreciation	20995	38221		
	Onabsorbed depreciation	13413629	9940928		
		13598353	10192524		
	Net deferred tax liability	697917	642417		
	NOTE NO: 7 SHORT TERM BORROWINGS				
1	Secured				
	Loans repayable on demand				
	From Bank of India				
а	Cash Credit Account	23010084	16609214		
b	Packing Credit Account	2512638	2464721		
		25522722	19073935		
	(Secured against hypothecation of Raw Materials, Wor and Receivables)	k in Process, Fin	ished Goods		
	(The above limits are collateraly secured by Equitable Mortg	age of Land and B	uilding situated at		
	L/3, Chikhalthana, MIDC Indl. Estate, Aurangabad) and hypo	_	-		
	not acquired under Term Loans / LCs from Bank of India.				
	<u>Un-secured</u>				
1 . !	Loans & Advances from related parties	2714040	0		
b	<u>Others</u> Sales Tax Loan from Govt. of Maharashtra	43506	0		
	Soles Tax Loan Holli Govt. Of Manarashida	43300			
		2757546	0		
		28280268	19073935		
	NOTE NO. O TO A DE DAVA DI PO				
	NOTE NO: 8 TRADE PAYABLES				
а	Other than Acceptances				
	For Materials/Goods	12293701	11740490		
	For Expenses	4148882	3735789		
		16442583	15476279		
	Conde Condition do Adams and Char				
	Sundry Creditors due to Micro and SMEs exceeding Rs. 1 lkh.				
	enceding No. 1 IMI.	N.A.	N.A.		

Notes	forming	part of	the Accounts	Contd.	Ì
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Sr.	Notes forming part of the Acco	. As at	As at
No.	Particulars	31.03.2012	31.03.2011
140.		₹	₹
	NOTE NO: 9 OTHER CURRENT LIABILITIES		
	Current maturities of long-term debt		
	(Secured)		
	From Bank of India		
а	Term Loans	10934000	8084000
b	Car Loan	150229	• 0
	Refer Note No: -4- Long Term Borrowings for details of securities.	11084229	8084000
	details of securities.	11004223	8084000
	Others Payables		
С	Statutory dues	1687316	1100444
d	Capital Creditors	71094	1177677
е	Advance/ credit balance of Customers	497633	1451820
		13340272	11813941
	NOTE NO: 10 SHORT TERM PROVISIONS		
1	•		•
а	Provision for Employee Benefits		
1	Salary & Reimbursements	2638896	2583407
2	Contribution to PF	100180	80839
3	Leave Encashment	529866	690536
		3268942	3354782
ь	Provision for Taxation		·
1	Income Tax	o	39004
*	HICOTHE IGA	۷	35004
		2200042	2202705
		3268942	3393786

	NOTE No 11 - FIXED ASSETS		ZI	otes formi	Notes forming part of the Accounts (Contd.	e Accounts	(Contd.)				
Ŀ			Gros	Gross Block			Accumulate	Accumulated Depreciaton	uo	Net Block	lock
7 Z	Particulars	Value as at 01.04.2011		Additions Deductions	As at 31.03.2012	Upto 31.03.2011	Upto 31.03.2011 For the year Deductions	Deductions	Upto 31.03.2012	As at As at 31.03.201	As at 31.03.2011
<u> </u>	Tangible Assets										
₹	A. Leasehold Land	5338777	0	0	5338777	989377	221399	0	1210776	4128001	4349400
<u>66</u>	B. Factory & Office Building	8732191	0	0	8732191	3207921	291655	0	3499576	5232615	5524270
ن	C. Plant and Equipment	157489701	157489701 70268744	679403		227079042 73700650	10424461	557508	83567603	83567603 143511439 83789051	83789051
ف	D. Office Equipment	840756	73728	0	914484	414828	39872	0	454700	459784	425928
ui	E. Furnitures & Fixtures	5388730	427775	0	5816505	1678623	332444	0	2011067	3805438	3710107
u:	F. Vehicles	1128911	631501	575491	1184921	896717	119690	498828	517579	667342	232194
<u>ਹ</u> ਂ	G. Computer	9858337	10692	0	9869029	6472545	1588189	0	8060734	1808295	3385792
	SUB TOTAL (I)	TAL (I) 188777403	71412440	1254894	258934949	87360661	13017710	1056336	99322035	99322035 159612914 101416742	101416742
<u>=</u>	II. Intangible Assets					ε					
-	1 Computer Software	670000	0	0	670000	0	108607	0	108607	561393	670000
	SUB TOTAL (II)	670000	0	0	c50079	0	108607	0	108607	561393	670000
ليا	Total [I + II] (Current Year) 189447403 71412440	189447403	71412440	1254894		259604949 87360661 13126317	13126317	1056336	99430642	99430642 160174307 102086742	102086742
	(Previous Year)	188507302	2298202	1358101		189447403 76623997	11997580	1260916	87360661	87360661 102086742	
2	Note:						(*) Put to	(*) Put to use in FY 12	7		

2 Cummulative amount transferred on account of depreciation on revaluation 🤻 282.75 lacs (net of adjustment /deduction on account of sale of land) 1 The Gross Block of Fixed Assets as at 31.03.2012 include Rs. 343.82 lacs (net of sale of half land at Aurangabad during the financial year FY 03 and machinery in FY 12) on account of revaluation of Fixed Assets of Aurangabad Unit comprising Land, Building and Plant & Machinery carried out on 01.04.98 by an approved valuer.

3No depreciation has been charged on assets not in use.

	Notes fo	unts (Contd.)		
Sr.			. As at	As at
No.	Particula	rs	31.03.2012	31.03.2011
10.			₹	₹
	NOTE NO: 12 LONG TERM L	DANS AND ADVANCES		
:		DANS PARE NO WATER		
а	Security Deposits			
l	Un-secured, considered good		423040	378640
Ь	Deposit for Customs' Appeal -	Canital item	200500	200500
١	beposit for customs Appear -	Capitaritem	200300	200300
С	MAT Credit Entitlements		1390424	1385989
١.'			_	
d	Others		0	12735033
ļ			2013964	14700162
]				
l	NOTE NO: 13 OTHER NON C	URRENT ASSETS		
1	Pre-liminary Expenses		67946	123692
	!			
1				
1				
ļ	NOTE NO: 14 INVENTORIES			
a	Raw Materials	At Cost	14966232	13850689
l	Goods in Transit	At Cost	391559	158129
			15357791	14008818
İ				
Ь	Work-in-Progress	At Cost	2683244	4722218
-	Work in Flogress	7.1. 0001	20052	***************************************
1				
C	Finished Goods	At Cost or Realisable		
1	Internally Manufactured	value whichever is	6676265	3490033
		lower		
1				
d	Stores & Spares	At Cost	2079440	1499287
1				
e	Loose Tools	At Cost	1890235	214563
1				
f	Machinery Spares	At Cost	0	1425549
1				
g	Scraps	At Realisable value	637000	0
[				
1			29323975	25360468
1				
1				
1	ł			1

Notes forming part of the Accounts (Contd.)

	Notes forming part of the Account	As at	As at
Sr.	Particulars	31.03.2012	31.03.2011
No.	r ur ucuigi 3	31.03.2012 ₹	31.03.2011
$\vdash$		<del>`</del>	
_	NOTE NO: 15 TRADE RECEIVABLES		
а	Outstanding for a period exceeding six months		
	from the date they are due for payment		
ĺ	l		
l	Unsecured, considered good	1463497	1285147
	Unsecured, considered doubtful	0	0
[		1463497	1285147
ь	Outstanding for a period less than six months		
	from the date they are due for payment		
ĺ			
i	Unsecured, considered good	26562500	24613292
	Unsecured, considered doubtful	0	0
l		26562500	24613292
		28025997	25898439
l	NOTE NO. [45] CASH SNIP CASH TOURS	20023337	25050 105
İ	NOTE NO: 16 CASH AND CASH EQUIVALENTS		
	Cash and Cash Equivilant		
i	Cash on Hand	72668	85073
II	Balances with Banks		
	in Current Accounts	1440381	827949
iii	Other Bank Balances		
	In earmarked deposit for BG margin	2070000	0
		3583049	913022
Ė	<del></del>		
	NOTE NO: 17 SHORT TERM LOANS AND ADVANCES		
а	Loans and advances to Employees	36277	64037
ь	Prepaid Expenses	195838	31118
c	Balances with Govt Authorities	133030	31110
Ĭ	Balance with Excise Authorises	1497286	875722
	Balance with Income Tax Authorises		
	balance with income lax Authorises	944107	42908
		2441393	918630
d	Other loans and advances	2+12333	310030
1	For Capital Items		9304737
2	Others	8961	2845720
-		8961	12150457
		2682469	13164242
		2002409	13104242
	NOTE NO: 18 OTHER CURRENT ASSETS		
	Interest Accrued	101602	12804
	[	101602	12804

No. Particulars  Note No: 19 Revenue FROM OPERATIONS  a) SALES Gear Hobs 100192754 Milling Cutters 11093786 Spline Gauges 8110113 Broaches 257154	86300312 9298728 5325853 1152632 102077525
NOTE NO: 19 REVENUE FROM OPERATIONS  a) SALES Gear Hobs 100192754 Milling Cutters 11093786 Spline Gauges 8110113 Broaches 257154  Less: Sales Return Gear Hobs 858220 Cutters 231939	86300312 9298728 5325853 1152632
a) SALES Gear Hobs 100192754 Milling Cutters 11093786 Spline Gauges 8110113 Broaches 257154  Less: Sales Return Gear Hobs 858220 Cutters 231939	9298728 5325853 1152632
a) SALES Gear Hobs 100192754 Milling Cutters 11093786 Spline Gauges 8110113 Broaches 257154  Less: Sales Return Gear Hobs 858220 Cutters 231939	9298728 5325853 1152632
a) SALES Gear Hobs 100192754 Milling Cutters 11093786 Spline Gauges 8110113 Broaches 257154  Less: Sales Return Gear Hobs 858220 Cutters 231939	9298728 5325853 1152632
Gear Hobs       100192754         Milling Cutters       11093786         Spline Gauges       8110113         Broaches       257154         119653807         Less: Sales Return       858220         Cuttters       231939	9298728 5325853 1152632
Milling Cutters       11093786         Spline Gauges       8110113         Broaches       257154         119653807         Less: Sales Return         Gear Hobs       858220         Cuttters       231939	9298728 5325853 1152632
Spline Gauges       8110113         Broaches       257154         119653807         Less: Sales Return       858220         Cuttters       231939	5325853 1152632
Broaches   257154     119653807	1152632
119653807	
Less : Sales Return       858220         Gear Hobs       858220         Cuttters       231939	102077525
Gear Hobs         858220           Cuttters         231939	
Cuttters 231939	
	784789
I ISoline Gauges I 841131	36525
	45512
1174272	866826
118479535	101210699
Add: Central Excise Duty & ED. Cess Collected 10811315	9810411
Gross Sales 129290850	111021110
b) Other Operating Revenues	470 4050
Job Work Charges 4935866 Add :Service Tax collected on Job Work 493798	4724858 473735
Add :Service Tax collected on Job Work 493798 Scrap /Misc. Sales 1384328	2813714
6813992	8012307
	119033416
1501/47 5/	113033410
· .	
NOTE NO: 20 OTHER INCOME	
Profit on Sales of Machinery & Motor Car 535895	239772
Misc. Receipts/write-off(net) 360057	11571
Interest Received 112692	23415
Interest on Income Tax Refund 5600	139390
Net Gain on Foreign Currency Transactions and Translations 213570	0
	414148
1227814	A IA IAX

	Notes forming part of the Accounts (Contd.)				
Sr.	Particulars	FY - 11-12	FY - 10-11		
No.	rarticulars	₹	₹		
	NOTE NO: 21 COST OF RAW MATERIALS CONSUMED				
A.	Cost of Raw Material Consumed				
	Inventory at the beginning of the year	14008818	7902337		
	Add : Purchase (net of returns, cenvat + freight & octroi)	32136638	37438124		
	Less : Inventory at the end of the year	15357791	14008818		
		30787665	31331643		
	Details of Raw Material Consumption	_			
a)	Import	6211411	4267776		
		22.79%	18.59%		
c)	Indigenous/ Local purchase	24576254	27063867		
		77.21%	81.41%		
		30787665	31331643		
В.	Changes in Inventories				
а	Inventories at the end of the year:				
	Finished Goods	6676265	3490033		
	Work-in-Progress	2683244	4722218		
ļ	Scrap	637000	0		
		9996509	8212251		
b	Inventories at the beginning of the year: Finished Goods	2400022	2442220		
ļ		3490033 4722218	3442320 4195778		
	Work-in-Progress Scrap	4/22218	4133//8		
	oci ap	8212 <b>2</b> 51	7 <b>63</b> 8098		
	Net (Increase)/Decrease	-1784258	-574153		
		2.0.230	733		
	NOTE NO: 22 EMPLOYEE BENEFITS EXPENSE				
а	Salaries, Wages & Allowances	25821771	23126418		
b	Contribution to Provident and Other Funds	1140361	950723		
С	Gratuity Fund Contribution	307326	<b>3</b> 00 <b>0</b> 19		
d	Staff Welfare Expenses	1777736	1557034		
		29047193	25934194		

	Notes forming part of the Accounts	s (Contd.)			
Sr.	Particulars	FY - 11-12	FY - 10-11		
No.	, and serious	₹	₹		
	NOTE NO: 23 FINANCE COST				
a)	Interest expense on:				
	Borrowings	11788973	10717144		
b)	Other borrowing costs	778906	341346		
<b> </b>		12567879	11058490		
	NOTE NO: 24 DEPRECIATION AND AMORTIZATION				
]	EXPENSE				
	Depreciation	13126317	11997580		
	Less: Transferred from Revaluation Reserve	1109988	2120816		
	· ·	12016329	9876764		
	Preliminary Expenses W/off	55746	55746		
		12072075	9932510		
	NOTE NO: 26 OTHER EXPENSES				
a	Manufacturing Expenses				
	Consumption of Stores Etc	2900361	1855193		
	Consumption of Tools and Spares	857824	466090		
	Consumption of Packing Materials	520521	418730		
	Excise Duty	10855423	9812482		
Į.	Service Tax	503015	490615		
	Increase /(decrease) of Excise Duty on Finished Goods	408508	-65904		
	Labour Charges (Mfg.)	3782443	3050999		
	Power and Fuel	4395756	3811830		
	Repairs and Maintenance - Buildings	639177	19714		
l	Repairs and Maintenance - Machinery	2330546	2343431		
		27193574	22203180		
b	Administrative & Other Expenses		24=424		
}	Travelling and Conveyance	2831754	3174048		
	Sales Commission	6361291	4993859		
l	Consignment Expenses	1843867	1090980		
ł	Legal and Professional	2525830	1620911		
1	Miscellaneous Expenses	4452138	5433652		
l	Total	18014880	16313449		
	Total	45208454	38516629		
}					
1	NOTE NO. 26 Entranding - No.				
1	NOTE NO: 26 Extraordinary items	•			
	Advances paid for Capital Items and related legal expense	9410370	_ ا		
	(Net of recovery) - Written off	3410370	0		

Notes forming part of the Accounts (Contd.)

Sr.	Notes forming part of the Account	FY - 11-12	FY - 10-11
No.	Particulars		
<u> </u>	•	₹	₹
1	NOTE NO: 27 ADDITIONAL INFORMATION		
1	CONTINGENT LIABILITIES AND COMMITMENTS		
	(To the extent not provided for)		
a)	Contingent Liabilities		
	(i) Claims against the company not acknowledged as debt	0	0
	(ii) Guarantees Bank Guarantee valid upto 28/09/2021 against EPGC Licence issued by Bank of India		
	Against export obligations to be fulfilled in 6 yrs commencing from FY 12. The said guarantee is equivalent to 15% of duty saved amount of Rs. 119.49 lacs on import of 3 Machines under export obligation against which 100% margin by way of TDR is held by bank.	1800000	0
	(iii) A Bond of Rs. 335 lacs in the form of undertaking dated 27/09/2011 is given by the Company under said EPGC No. 03330030577 dated 15/09/2011 in favour of President of India account custom towards duty saved plus interest for 10 years at18% p.a. in case if there is a short fall in meeting the export obligations. (Net of export obligation fulfilled in FY 12, balance Export obligations to be fulfilled in 5 years		·
	by FY -17)	29400000	0
	<i>5, 5.,</i>		
		31200000	0
b)	Commitments		
"	(i) Commitment pending on capital accounts - net of advance	Nil	617000
	(ii) Uncalled liability on shares and other investments partly paid	Nit	Nil
	(iii) Other commitments (specify nature)	Nil	Nil
		0	617000
		31200000	617000
		0-20000	
2	Payment to Auditors		
	a) As Auditor	40000	40000
	b) For Tax Audit Fees	10000	10000
	c) For Taxation & Other Matters	35000	35000
	d) For Banking Matters	50000	0
	e) Service Tax	14935	8755
		149935	93755

### JAINEX AAMCOL LIMITED Notes forming part of the Accounts (Contd.)

	rotes forming part of the Accounts	· · ·	
Sr. No.	Particulars	FY - 11-12	FY - 10-11
		· ·	
3	CIF Value of Imports	:	
	i. Raw Materials;	3787682	5724190
	ii. Components and Spare Parts;	1363283	1882880
	iii. Capital Goods;	60896200	9304737
		66047165	16911807
			_
4	Expenditure in Foreign Currency		
.	Travelling	372135	275070
	Professional and Consultation Fees	0	3108247
5	Earning in Foreign Exchange		
1	Export of goods calculated on FOB basis	15698515	7848328
	·		
6	Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share": (In Rupees)		
	Profit after Tax	15671	2464834
	Number of shares subscribed	696338	696338
	Basic & Diluted EPS	0.0	3.54

### Notes forming part of the Accounts (Contd.)

7 The Disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are given below.

#### a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under.

Rs. Rs. FY- 12 FY- 11 413358 345214 592593 493046

Employers Contribution to state governed Provident Fund Employers Contribution to state governed Pension Schemes Employers Contribution to state governed Employees State Insurance

548374 469119

### b) Defined benefit plan/ Long Term Compensated Absences.

The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation based on actuarial valuation using the Projected Unit Credit Method is not determined and any effect thereof will be provided / accounted as and when finalized.

### c) Compensated Absences

The company has provided for the leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Liability as per actuarial valuation is not determined and any effect thereof will be provided / accounted as and when finalized. The company has no defined benefit plan for this purpose as yet.

### 8 Amounts not provided for.

- a) Import against DALC for Rs NIL for purchase of raw materials (previous year Rs NIL).
- b) On account of claims by two ex-employees amounting to Rs. 0.37 lacs and Rs. 2.97 lacs which the company is contesting before the appropriate authority and is of the view that the claim will not sustain.
- c) A charge sheet has been filed In the JMFC, XVth Court, Aurangabad by the MIDC CIDCO Police Station, Aurangabad against the erstwhile Technical Director, N. K. Chatterjee and two other ex-employees of the company for the misappropriation of funds carried out by them during their tenure of employment with the company in FY 03 04. The company has also filed a suit in the City Civil Court at Aurangabad claiming an amount of Rs 72 lacs from N.K. Chatterjee for the amounts misappropriated. The amounts so misappropriated will be accounted for in the year of recovery. As a counter blast to the FIR, the said ex-employee N. K. Chatterjee has made a claim of Rs. 50 lacs in FY 04 05 for his alleged terminal dues in the City Civil Court, Aurangabad which is being contested by the company.
- d) On account of penalty of Rs 1.75 lacs imposed by SEBI which is represented by the company for remission/ waiver.
- e) On account of additional custom duty demand of Rs. 7,13,812/- on a CNC machine imported in FY 07 - 08 which had been contested in appeal before the Commissioner of Customs (Appeal) and Rs. 2,00,500/- has been paid as advance against the same.

### Notes forming part of the Accounts (Contd.)

### 9 Realisable value

In the opinion of the Board, all assets other than fixed assets have a realisable value in the ordinary course of business which is not less than the amount at which it is stated.

10 The company is not required to have a Qualified Company Secretary in view of Section 383A of Companies Act, 1956.

### 11 Confirmation of Balances

The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation

### 12 Related Party Disclosures

### a) Related Party and their Relantionship

Subsidiaries : NIL

Associates : Jainex Foods Private Limited

Jainex Limited

Jainex Imports & Exports Private Limited

Dugar Brothers & Company

Key Management Personnel : Mr. B. S. Dugar (Chairman)

Mr. R. Mazumdar (MD) Mr. M. Z. Kothari (Jt. MD)

Mr. Rahul Dugar (D)

Relatives of Key Management Personnel:

Notes forming part of the Accounts (Contd.)

	Notes forming part of the Accounts (Contd.)						
b)	Transactions with Related Party	Nature	Amount	Amount			
"	rransactions with Related Party	IVACUIC	31.03.2012	31.03.2011			
	Subsidiaries :	-	Nil	Nil			
	Associates/Directors:	Sitting Fees to Directors	Nil	Nil			
		Interest to Director	161250	140000			
		Payments to Body					
		Corporates					
		Interest	521250	194375			
		purchases	0	52655			
		Interest to Relatives					
		of Directors	Nil	Nil			
		Reimbursement of					
		Exp. to Directors	Nil	Nil			
		Payment to a Firm		40000			
		Interest	Nii	10000			
		Purchases	Nil	Nil			
		consultancy fees	Nil	Nil			
	Key Management Personnel:	Directors					
		Salary,	2305164	2082968			
		Allowances, Rent etc.		-			
	Relatives of Key Management Personnel:		Nil	Nil			
13	Disclosure as required by Clause 32	of listing Agreement.					
	Amount of Loans/Advances in nature						
}	from Subsidiaries and Associates dur						
	Subsidiaries	:	NIL	NIL			
	Associates	:	NIL	NIL			
	Key Management Personne	l :	NIL	NIL			
	Relatives of Key Manageme	nt Personnel :	NIL	NiL			
14	Figures for previous year have bee	n rearranged/regroup	oed wherever ne	cessary.			
15	Balance Sheet and Statement o S.O. 447 (E) dt.28.02.2011 on rev		•				

As per our report of even date attached.

For	R. A	. SINC	5H &	<b>ASS</b> (	<b>DCIATES</b>
CHA	RTE	RED A	CCO	UNTA	ANTS

(R. Mazumdar)
Managing Director

(R.A.SINGH) PROPRIETOR

Membership No.: 014098 Firm Reg. No.: 110271W Place: - Mumbai Dated: - 31st July, 2012

(Rahul Dugar)
Director

Director

## MEMBERS ARE REQUESTED TO CLEARLY MENTION THE FOLIO NO. ALLOTED TO THEM (THE FOLIO NO. IS MENTIONED ON ENVELOPE) IN THE REGISTER OF MEMBER OF THE COMANY IN THE PLACE PROVIDED FOR

### JAINEX AAMCOL LIMITED PROXY

	ct of			
Folio No	of			
	of.			
	in the dist			
in the distri	ct of			
Annual Ge	o attend and to vote foneral Meeting of the Coreptember 2012.		• -	
Signed this	day c	of	20	12.
				gnature of Member
: 2. 1	The Proxy to be valid shou of the Company at 405 & 4 Thackersey Marg, New Ma not later than 12.00 noon The Proxy should be execu The Proxy need not be a M	406, Sharda C arine Lines, M on 27th Sep. ted on 1 Rupo	ed at the Re hambers, 15 lumbai - 400 2012.	egistered Office 5, Sir Vitthaldas 1 020. (Maharashtra)
Marg, Nev	Office: 405 & 406, Share w Marine Lines, Mumbai -	400 020. (Ma	, 15, Sir Vittl aharashtra)	·
	ame of the Member blio No.		<u> </u>	
Saturday, 29	ord my presence at the 64 orth September 2012 at 3.00 Chamber,Indian Merchant	0 P. M. at Kilad	chand Confe	rence Room, Indian
	Signature Member or Prox	ſΥ		

### If Undelivered please return to:

LINK INTIME INDIA PVT. LTD. (UNIT: JAINEX AAMCOL LTD.)

C- 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.