



J J Exporters Limited
Annual Report 2009-10



J. J. EXPORTERS LIMITED

BOARD OF DIRECTORS

Mr. S. N. Jhunjunwala

Executive Chairman

Mr. Rajiv Jhunjunwala

Vice-Chairman

Mrs. Laxmi Jhunjunwala

Director

Mr. P. K. Singhi

Director

Mr. M. L. Gulrajani

Director

Mr. P. J. Sheth

Director

Mr. P. K. Sarkar

Director

Mr. Arun Kumar Shraff

Wholetime Director

COMPANY SECRETARY

Mr. S. L. Agrawal

BANKERS

Indian Overseas Bank

The Federal Bank Ltd.

IDBI Bank Ltd.

AUDITORS

Salarpuria Jajodia & Co.

Chartered Accountants

7, Chittaranjan Avenue

Kolkata - 700 072

REGISTERED OFFICE

23C, Ashutosh Chowdhury Avenue

Kolkata - 700 019, West Bengal

Phone : (033) 2461 4775

BHAGALPUR OFFICE / WORKS

Bounsi Road, Bhagalpur - 812 002, Bihar

Phone : (0641) 242 0829 & 242 3431

BANGALORE OFFICE/WORKS

A12 & A13, Apparel Park Area

1st Phase, Doddaballapur - 561 203, Karnataka

Phone : (080) 2807 8900

J. J. SPECTRUM SILK

Mouza-Gangarampur, Post : Bishnupur

Dist. 24 Parganas (S), West Bengal

Phone : (033) 2480 8686/87

RETAIL SHOWROOMS

Onset

I) 51/2, Hindustan Park,

Kolkata - 700 029

Phone : (033) 2419 6860/61

II) Shop No. 207

1st Floor, Court Yard Mall

Saket Press Enclave Road

New Delhi - 110 017

Phone : (011) 41014986/87



**ANNUAL REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010**

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Thirty Seventh Annual General Meeting** of the Members of **J J EXPORTERS LIMITED** will be held at Kala Kunj, 48 Shakespeare Sarani, Kolkata - 700 017 on Wednesday, the 28th day of July, 2010 at 4.00 p.m. to transact the following business :

As Ordinary Business

1. To receive and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended as on that date and the reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. P. J. Sheth who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. K. Sarkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Salarpuria Jajodia & Co., Chartered Accountants, retiring Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

"Resolved that Mr. Pradeep Kumar Singhi who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956, to hold office until the date of the Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the post of a Director, be and is hereby appointed as a Director of the Company."

6. To consider and if thought fit to pass with or without modification(s) of the following resolution as a special resolution :

"Resolved pursuant to the provision of Sections 314(1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and other approval as may be required, if any, that consent of the Company be and is hereby accorded to the revision in remuneration payable to Mrs. Neha Jalan, a relative of Mr. S. N. Jhunjhunwala, Mrs. Laxmi Jhunjhunwala and Mr. Rajiv Jhunjhunwala, Directors of the Company w.e.f 01.06.2010 as follows :-

- i) **Salary** : Rs. 60,000 per month.
- ii) **Increment** : Rs. 7,500 per month effective 1st April every year."

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 26th May, 2010

By Order of the Board

S. L. Agrawal
Company Secretary

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/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th July, 2010 to 28th July, 2010 (both days inclusive).
3. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
4. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
5. Members desirous of having any information on the business to be transacted at the Annual General Meeting are requested to address their queries to the Executive Chairman at the Registered Office of the Company at least seven days before the date of the meeting, so that requisite information is made available at the meeting.



6. The Members of the Company are informed that in terms of Section 205C introduced by the Companies (Amendment) Act, 1999, the amount of Dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Protection Fund constituted by the Central Government and the Shareholders would not be able to claim any amount of the Dividend so transferred to the Fund. As such, shareholders who have not encashed their Dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding Dividends declared by the Company during the year 2003 to 2009.
7. Mr. P. J. Sheth and Mr. P. K. Sarkar retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. The information pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement is furnished in the Report on Corporate Governance published in this Annual Report.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in connection with the items of special business is annexed to this notice.

ANNEXURE TO NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

The Board of Directors ("the Board") at its meeting held on 30th July, 2009 appointed Mr. Pradeep Kumar Singhi as an Additional Director. Mr. Pradeep Kumar Singhi will hold the office of Director upto the conclusion of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956, alongwith requisite deposit amount, notifying his intention to propose Mr. Pradeep Kumar Singhi as candidate for the office of Director of the Company. The Board of the Company recommends his appointment as a Director.

Information in respect of Mr. Singhi to be provided in terms of Clause 49 of the Listing Agreement is furnished in the Report on Corporate Governance. None of the Directors except the appointee Mr. Singhi is concerned or interested in the resolution.

Item No. 6

The salary of Mrs. Neha Jalan, Designing Consultant was last revised by the Board w.e.f. 01.09.2005. Mrs. Neha Jalan has done her Graduation in Textile Designing from Philadelphia University, one of the best in the world and has more than 6 years post qualification experience. Considering the present market scenario, the remuneration paid to Mrs. Neha Jalan was quite low. As such the Board of Director at its meeting held on 26.05.2010 has revised the salary of Mrs. Neha Jalan to Rs 60,000/- per month effective 01.06.2010 with an increment of Rs. 7,500/- per month effective 1st April every year.

In terms of Section 314 of the Companies Act, the remuneration paid to a relative of any Director of a company is required to be approved by the shareholders of the Company in a general meeting.

Mrs. Neha Jalan being a relative of Mr. S. N. Jhunjunwala, Mrs. Laxmi Jhunjunwala and Mr. Rajiv Jhunjunwala, the consent of the shareholders is required for the revision of remuneration payable to Mrs. Neha Jalan. The Board therefore recommends the resolution for the approval of the shareholders. The above is subject to the approval of the Central Government, which will be obtained after the approval of the shareholders.

Mr. S. N. Jhunjunwala, Mrs. Laxmi Jhunjunwala and Mr. Rajiv Jhunjunwala being relatives of Mrs. Neha Jalan may be deemed to be interested in the resolution.

The resolution set out as Item No. 6 of the Notice is accordingly recommended by the Board for your approval.

Registered Office:
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 26th May, 2010

By Order of the Board

S. L. Agrawal
Company Secretary

DIRECTORS' REPORT



Dear Shareholders

Your Directors have pleasure in presenting the Thirty-Seventh Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in Lacs)

	2009 - 2010	2008 - 2009
Profit before Tax and Depreciation	342.47	40.93
Less : Depreciation	346.17	440.40
Profit/(Loss) before Tax	(3.70)	(399.47)
Less : Provision for Taxation	-	-
Prior Period Items	2.96	37.88
Fringe Benefit Tax	-	12.90
Profit/(Loss) after Tax	(6.66)	(450.25)
Add : Balance brought forward from Previous year	958.51	1408.76
Surplus Balance in Profit & Loss Account	951.85	958.51

BUSINESS AND PERFORMANCE

The performance of the Company was satisfactory during the year considering the general slowdown in the global economy. Although the sales revenue of the Company was down at Rs. 5955.32 Lacs as compared to Rs. 6481.75 Lacs in the previous year, the net loss after depreciation was down at Rs. 6.66 Lacs as compared to Rs. 450.25 Lacs in the previous year.

CURRENT YEAR'S OUTLOOK

The global economy is showing the signs of revival but at a very slow pace. Your Directors were hoping that the performance of your Company shall improve in the current year but the recent turmoil in some European countries may affect the outcome. The performance of your Company would depend upon further development in the global economy, particularly that of European Countries in the current year. Your Company is putting all round effort through its marketing network to meet the challenge.

RELOCATION OF COMPANY'S THREE UNITS IN BANGLORE TO A NEW LOCATION AT DODBALLAPUR

All the three units in Bangalore have been shifted to a new location at Doddaballapur near Bangalore during the year.

OVERSEAS SUBSIDIARIES AND JOINT VENTURE

The performance of Company's foreign subsidiaries were satisfactory during the year.

RETAIL SHOWROOM

The Company's first retail outlet in India named as "ONSET" had started its operation from August, 2008. The Company has started another retail show room at Shop No. 207, 1st Floor, Court Yard Mall, Saket Press Enclave Road, New Delhi - 110 017 during the year. These should yield results in the current year.

DIVIDEND

Owing to loss, your Directors do not consider it prudent to declare Dividend for the year.

FOREIGN EXCHANGE

Demand amounting Rs. 1403 Lacs received by the Company from ICICI Bank and Citi Bank in respect of certain derivative contracts which were held illegal by a statutory authority and which have been disputed by the Company were not acknowledged and accounted for by the Company as the matter is subjudice and pending in court.

DIRECTORS

Mr. P. J. Sheth and Mr. P. K. Sarkar retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting. Mr. S. Jalan Director of the Company resigned from the Board during the year w.e.f. 27.01.2010. Your Directors would like to place on record their appreciation for the valuable advice given by Mr. Jalan during his association with the Company. Mr. Pradeep Kumar Singhi a prominent Chartered Accountant and a senior partner of



the reputed audit firm M/s. Singhi & Co. was appointed as an Additional Director by the Board at its meeting held on 30.07.2009. Mr. Singhi was also inducted in the Audit Committee and was appointed as Chairman of the Audit Committee. Notice from a member of the Company together with requisite deposit has been received by the Company proposing Mr. Singhi as a Director of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors hereby confirm :

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and 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 as at 31st March, 2010 and of the loss for the year ended on that date;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) That the Directors have prepared the Annual Accounts on a 'going concern' basis.

CORPORATE GOVERNANCE

A separate Section on Corporate Governance is included in the Annual Report and a certificate from the Auditors of the Company, regarding compliance of conditions on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is annexed thereto.

AUDITORS

M/s. Salarpuria Jajodia & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to act as Auditors of the Company, if appointed. They have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

COST AUDITORS

Pursuant to the Directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct cost audit relating to the products of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

- A) Conservation of energy and technology absorption :

The particulars in respect of conservation of energy and technology absorption are given in Annexure 'A' forming part of

this report pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

- B) Foreign Exchange earning and outgo :

The information is contained in Item No. 19 of Schedule No.'O' in notes on accounts.

INVESTMENTS

The details of investments are given in Schedule 'E' annexed to the annual accounts of the Company.

SUBSIDIARY COMPANIES

The particulars, as required under Section 212 of the Companies Act, 1956, in respect of Company's subsidiaries viz Tanushree Silks Ltd., Spin International INC., OOO JJ Home and J. J. Creations S.A. are annexed herewith.

The Company has been exempted from annexing the accounts of its subsidiary Companies by the Central Govt. vide its Letter No. 47/ 21/ 2010-CL-III dated 05.04.2010. Necessary financial details in respect of each subsidiary as stipulated in the said exemption letter are given in a separate statement attached elsewhere in the report.

Your Directors undertake that annual accounts of the subsidiary Companies and the related detailed information will be made available to the holding and subsidiary Company investors seeking such information at any point of time. The annual account of the subsidiary Companies will also be kept for inspection by any investor at its head office and that of the subsidiary company concerned.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

- A) **Industry Structure & Developments** : The Company manufactures and exports silk fabrics, garments and made-ups. Silk Fabrics comprise the bulk of Company's product basket which are used for home-furnishings and apparel in developed countries like USA and countries in Europe like France, Germany, UK, Italy, Finland, Russia and also in Japan, Australia, etc. which is used mainly by high-end customers.
- B) **Opportunities & Threats** : The Company's product is largely dependent on consumer spending. The Company has a loyal customer base and has been able to pass through the recession on the basis of continued support from these customers duly supported by in-time supply of high quality products. The Company is taking all round measures to minimize cost through infusion of latest technology and cost reduction exercise.
- C) **Segmentwise Performance** : The Company has only single product namely Textiles.
- D) **Outlook** : The global economy revival is showing the signs of revival but at a very slow pace. Your Directors were hoping that the performance of your Company should improve in the current

year but the recent turmoil in some European countries would affect the exports of the country and also of your Company. Your Company is putting all round effort through its marketing network to meet the challenge.

- E) **Risk & Concern** : Silk Fabrics being a luxury item carry significant risk linked to consumer confidence and spending pattern.

Any significant increase in the price of raw material and the uncertainties in the world economy may have some negative impact. However, the Company is making all-round efforts to contain the negative impact through infusion of state of the art technology and cost reduction measures.

The Company's foreign exchange exposure is mainly in US\$ in which it imports raw materials and exports most of the finished goods. The Company continuously reviews its exposure and takes steps to hedge it. The Company is taking adequate insurance coverage of its assets at various locations.

- F) **Internal Control System & Adequacy** : The Company has adequate internal control systems to ensure safeguarding of assets against unauthorised use and to provide that all transactions are authorised, recorded and reported correctly. The Company has a system of periodical Internal Audit.
- G) **Discussion on financial performance with respect to operational performance** : The details of the financial performance of the Company are available in the Balance Sheet, Profit & Loss Account and other financial statements appearing separately.
- H) **Human Resources** : The industrial relations were cordial throughout the year. The Directors place on record the excellent

contribution made and the co-operation extended by the employees at all levels of the organisation.

There was no employee employed during the financial year or a part of the financial year who was in receipt of remuneration for that year or any part of that year at a rate as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

- I) **Cautionary Statement** : Certain Statements in the Management Discussion and Analysis describing the Company's view about the industry, expectations/ predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those implied therein. Important factors that could make a difference include raw material availability and prices, demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, industrial relations and economic developments within India and countries with which the Company conducts business and other incidental factors.

ACKNOWLEDGEMENT

The Board wishes to place on record the sustained support extended to the Company by its Bankers, Government Authorities, Customers, Vendors and Shareholders during the year under review.

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 26th May, 2010

By Order of the Board

S. N. Jhunjunwala
Executive Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional information as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988

CONSERVATION OF ENERGY

	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
A. Power and Fuel Consumption		
1. Electricity		
a) Unit Purchased (KWH)	3,862,994	4,071,980
Total Amount (Rs.)	18,899,463	18,514,444
Rate/Unit (Rs.)	4.89	4.55
b) Own Generation through Diesel Generator		
Units (KWH)	503,277	228,937
Unit per litre of Diesel Oil	3.47	3.44
Total Amount (Rs.)	5,204,376	2,492,146
Cost/Unit (Rs.)	10.34	10.89
2. Furnace Oil		
Quantity (KL)	432.07	572.78
Total Amount (Rs.)	9,951,427	17,367,388
Average Rate (Rs.)	23,032	30,321



	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
3. Steam Coal		
Quantity (Kg)	62,920	63,460
Total Amount (Rs.)	183,986	192,541
Average Rate (Rs.)	2.92	3.03
B. Consumption per Mtr of production		
<i>Product : Natural Silk Fabrics</i>		
Electricity (KWH)	3.77	2.26
Furnace Oil (Ltr.)	0.42	0.30
Steam Coal (Kg.)	0.06	0.03
Consumption per Pcs of production		
<i>Product : Made-up</i>		
Electricity (KWH)	1.89	2.00

- C. 1. Energy Conservation Measures taken** :
- (a) Steam leakages in the steam distribution network are monitored on continuous basis for early detection and rectification.
 - (b) Fuel consumption of boiler is monitored and optimized by way of daily and schedule maintenance. Fuel gas analysis is carried out periodically to ascertain performance of oil burner assembly.
 - (c) Non-essential consumers in the utility/service section are normally kept out of operation during evening, high tariff period, to cut down energy cost.
 - (d) Radio frequency dryer for drying of dyed hank has been introduced primarily for better and uniform drying which has also contributed to energy saving.
 - (e) Use of imported twisted yarn has reduced the electrical load of twisting/uptwisting section.
 - (f) The general awareness drive continues among the employees of all categories for energy conservation.
2. Additional Investments for reduction of power consumption : There has not been any specific investment, other than in-house effort towards energy conservation.
3. Impact of the measures taken for reduction of energy consumption and consequent impact on production cost : Positive influence on average production cost.

BENEFITS DERIVED AS A RESULT OF RESEARCH & DEVELOPMENT

- A) Specific Areas in which R & D carried by the Company :
- i) Stabilization of TDS of process water.
 - ii) Segregation of mills for China Twisted Filature Yarn.
- B) Benefits derived as a result of the above R & D :
- i) More stability in dyeing process and share reproducibility.
 - ii) Reduction of rejection due to filament stain.
- C) Future plan of action : To standardise chemicals & auxiliaries quality & Categorisation of suppliers as per requirement.
- D) Expenditure on R & D : NIL

TECHNOLOGY ABSORPTION

- A) Efforts in brief made towards Technology Absorption, Adoption and Innovations : Steam processing testing for fabrics.
- B) Benefits derived as a result of the above efforts :
- i) Improvement in quality of finished fabric.
 - ii) Encouraging response from buyers.
- C) In case of Imported Technology
- (i) Technology Imported - N.A.
 - (ii) Year of Import - N.A.
 - (iii) Status of Absorption - N.A.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING SUBSIDIARY COMPANIES

Name of the Subsidiary	Tanushree Silks Ltd.	Spin International Inc.	OOO JJ Homes	J. J. Creations S.A.
The Financial Year of the subsidiary Company ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010
Number of shares in the subsidiary Company held by J. J. Exporters Limited at the above date		Stock Rs. 45,090/-	1 Rs. 15,200/-	85 Rs. 3,136,500/-
- Equity Shares - Equity Holding	Rs. 180,000 100%	US\$ 1,000 100%	RBLS 10,000 100%	EURO 52,275 85%
The net aggregate of Profits/(Losses) of the subsidiary Company for its Financial Year so far as they concern the Members of J. J. Exporters Limited :-				
a) Dealt within the account of J. J. Exporters Limited for the Year Ended 31.03.2010	NIL	NIL	NIL	NIL
b) Not dealt with in the account of J. J. Exporters Limited for the Year Ended 31.03.2010 (Net of Taxes)	(Rs. 990,896/-)	Rs. 3,107,107/- US\$ 68,909	Rs. 2,617,232/- RBLS 1,721,863	Rs. 1,101,722/- EURO 18,362
The net aggregate of Profits/(Losses) of the subsidiary Company upto previous financial years so far as they concern the members of J. J. Exporters Limited :-				
a) Dealt within the account of J. J. Exporters Limited upto Year Ended 31.03.2009	NIL	Rs. 315,630/- US\$ 7,000	NIL	NIL
b) Not dealt with in the account of J. J. Exporters Limited upto Year Ended 31.03.2009	(Rs. 1,805,349/-)	Rs. 29,445,393/- US\$ 653,036	(Rs. 6,255,551/-) (RBLS 4,115,494)	(Rs. 399,120/-) (EURO 6,652)
Change in the interest of J. J. Exporters Limited between the end of the financial year and 31st March, 2010	-	-	-	-
Material changes between the end of the financial year and 31st March, 2010	-	-	-	-

* US\$ have been converted to INR at the exchange rate prevailing on 31st March, 2010 (1 US\$ = Rs. 45.09)

* RBLS have been converted to INR at the exchange rate prevailing on 31st March, 2010 (1 RBL = Rs. 1.52)

* EURO have been converted to INR at the exchange rate prevailing on 31st March, 2010 (1 EURO = Rs. 60.00)

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjhunwala

Executive Chairman

Rajiv Jhunjhunwala

Vice-Chairman

S. L. Agrawal

Company Secretary

P. K. Singhi

P. K. Sarkar

P. J. Sheth

A. K. Shraff

Directors



REPORT ON CORPORATE GOVERNANCE



I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance shareholders value, keeping in mind the needs and interests of other stakeholders such as customers, employees and the community at large. The Company aims at achieving optimum performance at all levels by adhering to Corporate Governance practices such as effective management control, accountability for performance, compliance of law and transparent and timely disclosure of financial and management information.

Over the years, your Company has complied with the principles of Corporate Governance emphasising on transparency, accountability and integrity. These have helped the Company to enhance stakeholder values.

II. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors and complies with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges in India. The Board of Directors of the Company consists of two Promoter Executive Directors, one Promoter Non-Executive Director, Four Non Promoter Non-Executive Directors and one Non Promoter - Executive Director.

During the year under review, 5 (five) Board Meetings were held on 14.05.2009,25.06.2009,30.07.2009,29.10.2009 & 27.01.2010

Composition of the Board of Directors and other details as on 31st March, 2010 are as under :

Name	Executive/Non-Executive/ Independent	No. of other Directorships held (other than Private Companies)	Committee positions held (other than JJEL)		No. of Board Meetings attended during the year	Whether attended last AGM on 30th July, 2009
			As Chairman	As Member		
Mr. S. N. Jhunjhunwala	Promoter, Executive	2	None	None	5	Yes
Mrs. Laxmi Jhunjhunwala	Promoter, Non Executive	1	None	None	4	Yes
Mr. Rajiv Jhunjhunwala	Promoter, Executive	1	None	None	4	No
Mr. Arun Kumar Shraff	Non Promoter-Executive Director	1	None	None	4	Yes
Mr. P. J. Sheth	Non-Executive Independent	2	None	1	2	Yes
Mr. S. Jalan	Non-Executive Independent	4	None	None	2	No
Mr. P. K. Sarkar	Non-Executive Independent	None	None	None	5	Yes
Mr. M. L. Gulrajani	Non-Executive Independent	3	None	3	2	Yes
Mr. Pradeep Kumar Singhi	Non-Executive Independent	5	2	2	2	NA

Director

Mr. S. Jalan (Independent Non-Executive Director) resigned from the Board of the Company during the year w.e.f. 27.01.2010. However, he has not been replaced as the Company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation.

During the year, Mr. Pradeep Kumar Singhi was appointed as an Additional Director by the Board at its meeting held on 30.07.2009. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Pradeep Kumar Singhi will hold office upto the date of the forthcoming Annual General Meeting. Resolutions seeking approval of the members for the appointment of Mr. Pradeep Kumar Singhi as Director of the Company have been incorporated in the notice of the forthcoming Annual General Meeting.

Mr. P. K. Sarkar and Mr. P. J. Sheth Directors, retire by rotation and being eligible have offered themselves for re-appointment.

Brief resumes of the above Directors, nature of their expertise in specific functional areas and names of Companies in which they hold directorships, memberships/chairmanships of Board committee and their shareholding in the Company are provided below :

A brief resume of these Directors is as under :

Name	Age	Qualifications	Experience	Directorships held in other Companies	Committee memberships held in other companies	Nos of shares held as on 31.03.2010
Mr. P. K. Sarkar	76	IAS (Retd.)	38 years including Finance Secretary with Govt. of West Bengal and Chairman, Damodar Valley Corporation	-	-	-
Mr. P. J. Sheth	77	BE (Mech.), M. Tech (Prodn. Engg.)	49 years experience in industry including Mahindra & Mahindra, TELCO etc.	1) Solitaire Machine Tools Ltd. 2) Shruchi Marketing Ltd.	-	-
Mr. Pradeep Kumar Singhi	55	FCA	Mr. Pradeep Kumar Singhi, is a fellow member of the Institute of Chartered Accountant of India (ICAI) and is a senior partner of reputed audit firm M/s. Singhi and Co. He has over 30 years of rich experience in finance and auditing.	1) Shree Vardhan Ltd. 2) New Retailing and Investment Ltd. 3) P. S. Group Realty Ltd. 4) United Credit and Development Co. Ltd. 5) Dharampal Premchand Ltd. 6) Singhi Management and Financial Consultants (P) Ltd. 7) Waterloo Exports (P) Ltd. 8) Hirise Agencies Pvt. Ltd. 9) Vinar Systems Pvt. Ltd. 10) Avikar Trade Com. Pvt. Ltd. 11) Kriishnav Commercial Pvt. Ltd. 12) SMFC Advisory Services Pvt. Ltd.	4 (Four)	-

The shareholding of the Non-Executive Directors in the Company as on 31.03.2010 is as follows :

Name of the Non-Executive Director	Nos. of shares held in the Company as on 31.03.2010	Nos. of stock options held in the Company as on 31.03.2010
Mrs. Laxmi Jhunjhunwala	176,000	NIL
Mr. P. J. Sheth	NIL	NIL
Mr. M. L. Gulrajani	NIL	NIL
Mr. P. K. Sarkar	NIL	NIL
Mr. Pradeep Kumar Singhi	NIL	NIL

Board Committees**III. AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company was reconstituted during the year. Mr. Pradeep Kumar Singhi was appointed as an Additional Director during the year and was also appointed as Chairman of the Audit Committee w.e.f. 30.07.2009. Consequent upon the resignation of Mr. S. Jalan from the Directorship of the Company with effect from 27.01.2010, Mr. S. Jalan ceased to be a member of the Audit Committee, The Audit Committee of the Board now comprises of three Independent Non-Executive Directors i.e. Mr. Pradeep Kumar Singhi, Mr. M. L. Gulrajani and Mr. P. K. Sarkar. The committee met four times during the year under review on 25.06.2009, 30.07.2009, 29.10.2009 and 27.01.2010. The attendance of the members at these meetings was as follows :

Sl. No.	Name of the Members	Status	No. of Meetings attended
1.	Mr. Pradeep Kumar Singhi	Chairman, Independent Non-Executive w.e.f. 30.07.2009	2
2.	Mr. P. K. Sarkar	Chairman (upto 30.07.2009), Member w.e.f. 01.08.2009 Independent Non-Executive	4
3.	Mr. S. Jalan	Member, Independent Non-Executive upto 27.01.2010	2
4.	Mr. M. L. Gulrajani	Member, Independent Non-Executive	2



Mr. S. L. Agrawal, Company Secretary, the Statutory Auditor and the Internal Auditors of the Company were invitees to the Audit Committee Meetings. Mr. S. L. Agrawal, Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreement with the Stock Exchanges that inter-alia includes overseeing financial reporting process, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, discussions with the Auditors about the scope of audit including the observations of the auditors and discussion with the Internal Auditors on any significant findings. The Audit Committee also recommends to the Board the appointment, re-appointment and if required, the replacement or removal of Statutory Auditors, fixes their fees and remuneration as auditors and approves the remuneration paid for other services. It also reviews major defaults, if any, in payment of depositors, debenture holders, creditors and shareholders. The Audit Committee also decides the appointment, removal and the terms of remuneration of Internal Auditors.

IV. REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of the Company was reconstituted during the year. Consequent upon the resignation of Mr.S.Jalan from the Directorship of the Company with effect from 27.01.2010, Mr. S. Jalan ceased to be a member of the Remuneration Committee. Mr. M. L. Gulrajani was inducted in the Committee as a member w.e.f. 27.01.2010. The Committee now consist of three Non-Executive Directors viz Mr. P.K.Sarkar, Mr. M. L. Gulrajani and Mrs. Laxmi Jhunjhunwala. Mr. P. K. Sarkar is the Chairman of the Committee.

The detail of remuneration paid to the Executive Directors during the year under review is given below :

Particulars	Mr. S. N. Jhunjhunwala, Executive Chairman	Mr. Rajiv Jhunjhunwala, Vice Chairman	Mr. Arun Kumar Shraff Whole time Director
Salary	Rs. 1,536,000/-	Rs. 1,440,000/-	Rs. 828,960/-
Allowances and other perquisites	-	-	Rs. 171,660/-
Contribution to Provident and Gratuity Funds	Rs. 184,320/-	Rs. 172,800/-	Rs. 99,480/-
Total	Rs. 1,720,320/-	Rs. 1,612,800/-	Rs. 1,100,100/-
Service Contract	5 years (1st Feb, 2006 to 31st Jan, 2011)	5 years (1st Feb, 2006 to 31st Jan, 2011)	5 years (1st Nov, 2008 to 31st Oct, 2013)

Non-Executive Directors are not entitled to any remuneration other than the sitting fees. The details of remuneration paid to Non-Executive Directors for the year under review are given below :

Name of the Non-Executive Directors	Sitting Fees paid (Rs.)
Mrs. Laxmi Jhunjhunwala	Rs. 50,000/-
Mr. P. J. Sheth	Rs. 25,000/-
Mr. S. Jalan	Rs. 62,500/-
Mr. P. K. Sarkar	Rs. 112,500/-
Mr. M. L. Gulrajani	Rs. 50,000/-
Mr. Pradeep Kumar Singhi	Rs. 50,000/-
Total	Rs. 350,000/-

V. SHAREHOLDERS' COMMITTEE

a) **Shareholders'/Investors' Grievance Committee :** The Shareholders Grievances Committee of the Board of Directors of the Company was reconstituted during the year. Consequent upon the resignation of Mr. S. Jalan from the Directorship of the Company with effect from 27.01.2010. Mr. S. Jalan ceased to be a member of the Committee. Mr. P. K. Sarkar was inducted in the Shareholders/Investors Grievances Committee w.e.f. 27.01.2010. The Committee now consists of Mr. P. K. Sarkar. Mr. S. N.Jhunjhunwala and Mr. Arun Kumar Shraff. Mr. P. K. Sarkar is the chairman of the committee.

Details of Shareholders' complaints received : No complaints were received during the year. No shares were pending for transfer as on 31st March, 2010, from the shareholder of the Company. No meeting of the shareholders/Investors Grievances Committee was held during the year as there were no complains to be resolved.

b) **Share Transfer Committee :** Share Transfer Committee functions with Mr. S. N. Jhunjhunwala, Chairman, Mr. Rajiv Jhunjhunwala and Mr. Arun Kumar Shraff as Members. The Committee met 3 (three) times during the year under review.

Compliance Officer : Mr. Arun Kumar Shraff was the Compliance Officer till 31st August, 2009. The Board designated Mr. S. L. Agrawal, Company Secretary as the Compliance Officer w.e.f. 1st September, 2009.

VI. GENERAL BODY MEETING

Location and Time, where last three Annual General Meetings were held are given below :

Accounting Year	Date	Location of the Meeting	Time	Special Resolution passed
2008-2009	30th July, 2009	Kala Kunj Hall, 48, Shakespeare Sarani Kolkata - 700 017	4.00 p.m.	None
2007-2008	29th July, 2008	- do -	4.00 p.m.	Payment of Gratuity without any ceiling as per Gratuity Act to Mr. S. N Jhunjunwala, Executive Chariman.
2006-2007	31st July, 2007	- do -	4.30 p.m.	Appointment of Mr. S. N. Jhunjunwala as Whole time Director and enhancement of his remuneration

No special resolution was passed through Postal Ballot during 2009-2010. None of the Business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot.

VII. DISCLOSURES

- The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note No. 11 of Schedule – "O" to the Accounts in the Annual Report. A statement in summary form of transactions with related parties in ordinary course of business is placed periodically before the Audit Committee.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures. The procedure is periodically reviewed to ensure that executive management controls risk through means of properly defined frame work. The Company has also adopted a Risk Management Policy in the meeting of the Board of Directors held on 31st January 2006, the brief gist of which is as follows :

The risk associated with company's product can be broadly categorised under following heads :

- Change in fashion :** Company's products largely depend on the change in global fashion. In order to minimise the risk on account of finished goods held in stock, the Company has a policy of manufacturing goods only against confirmed orders from customers and maintain inventory only of those items which are not subject to fast change in fashion.
- Global Competition :** The Company is taking all-round efforts to economize the cost of production to meet possible threat from China, a low cost producing center.
- Currency Risk :** Open exposure in foreign currency is reviewed regularly and adequate steps are taken to cover the same in consultation with company's bankers.

- The Company has not made any public issues, rights issues or preference issues during the year under review.

VIII. MEANS OF COMMUNICATION

- In compliance with Clause 41 of the Listing Agreement, the Company regularly intimates Un-audited as well as Audited Financial results to the Stock Exchanges immediately after the Board takes them on record.
- The quarterly results of the Company are published in leading National Newspapers. Financial Results are also displayed on the corporate website i.e. www.jjexporters.com.
- Management Discussion and Analysis is covered in Directors' Report to the Shareholders and forms part of this Annual Report, which is posted to the shareholders of the Company.

IX. GENERAL SHAREHOLDERS' INFORMATION

- Date and venue of Thirty Seventh Annual General Meeting : The Thirty Seventh Annual General Meeting of the Company will be held on 28th July, 2010 at 4.00 p.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017.
- Book Closure Dates : The Share Transfer Books and Register of Members will remain closed from 26th July, 2010 to 28th July, 2010 (both days inclusive).
- Exchanges listed at with code numbers : The Calcutta Stock Exchange Association Limited – **020029**
7, Lyons Range, Kolkata - 700 001
The Stock Exchange, Mumbai – **530049**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The Listing Fees to the above Stock Exchanges have been paid for the year 2009-10.



d) Share Price Data* (BSE) (in Rs.)

Months	High	Low
April, 2009	17.90	14.50
May, 2009	26.90	15.15
June, 2009	27.95	19.00
July, 2009	25.45	18.60
August, 2009	23.80	20.20
September, 2009	26.40	21.95
October, 2009	25.95	21.95
November, 2009	22.85	20.20
December, 2009	27.55	22.10
January, 2010	40.00	25.05
February, 2010	28.85	23.00
March, 2010	27.00	23.40

* Source www.bseindia.com

e) Registrar & Transfer Agents
(both for Demat & Physical)

M/s. MCS Limited
77/2A, Hazra Road, Kolkata - 700 029
Phone : (033) 2476 7350-7354, 2454 1892
Fax : (033) 2474 7674, 2454 1961
E-mail : mcscal@cal2.vsnl.net.in

f) Share Transfer System

As the Company's shares are compulsorily traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL/CDSL with whom the Company has entered into separate agreements. The Share Transfer in physical form are processed and registered within a period of 15 days from the date of receipt on an average provided the documents are in order.

g) Shareholding Pattern
as on 31st March, 2010

Category	No. of Shares	Percentage
Promoters *	67,39,949	72.77%
Domestic Institutional Investors	28,621	0.31%
NRI's/OCB's	4,00,984	4.33%
Other Body Corporates	5,47,657	5.91%
Indian Public	15,45,039	16.68%
Total	92,62,250	100.00%

* Includes shares held by J. J. Exporters Beneficiary Trust as treasury stock on behalf of the Company.

h) Dematerialization of Shares
and Liquidity

As at 31 March, 2010, approximately 97.67% of the total Equity Shares are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The Company's Equity Shares are traded compulsorily in dematerialised form. The ISIN of the Company is INE408B01015.

i) Branch Locations
(including major works)

- 1) # A12 & A 13, Apparel Park Area, 1st Phase Doddaballapur - 561 203, Bangalore, Karnataka
- 2) Bounsi Road, Bhagalpur - 2
- 3) Mauza Gangarampur, Post Bishnupur, Dist. 24 Parganas (S), West Bengal
- 4) Onset - 51/2, Hindusthan Park, Gariahat, Kolkata - 700 019
- 5) Onset - Shop No. 207, 1st Floor, Court Yard Mall, Saket Press Enclave Road New Delhi - 110 017

j) Address for correspondence

J. J. Exporters Limited
23C, Ashutosh Chowdhury Avenue, KCI Plaza, Second Floor, Kolkata - 700 019
Phone : (033) 2461 4775, Fax : (033) 2461 4780, Email : jjemail@vsnl.com

X. CODE OF PROFESSIONAL CONDUCT

The Company has formulated a Code of Conduct for all Board Members and Senior Management Personnel and the same has been adopted by the Board in its meeting held on 31st January, 2006. The Code is also available on the website of the Company. A declaration from the CEO that all Board Members and senior management personnel have duly complied with the Code of Conduct for the financial year ended 31st March, 2010 is appended herein below :

This is to state that the Company, had duly adopted a Code of Conduct in the meeting of the Board of Directors held on 31st January, 2006. After adoption of the Code of Conduct the same was circulated to all the Board Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the company. The Company has since received declarations from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended 31st March, 2010.

S. N. Jhunjhunwala
Executive Chairman

XI. CEO/CFO CERTIFICATE

The Company with effect from the financial year ending 31st March, 2006, is duly placing a certificate to the Board from the CEO and CFO in accordance with the provisions of Clause 49(v) of the Listing Agreement. The aforesaid certificate duly signed by the CEO and CFO in respect of the financial year ended 31st March, 2010 has been placed before the Board in the meeting held on 26th May, 2010.

XII. SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiaries namely Tanushree Silks Limited, India, Spin International Inc. USA, and OOO JJ Home, Russia. The provisions of Clause 49 of the Listing Agreement are not applicable to Spin International Inc. and OOO JJ Home. Although Tanushree Silks Ltd does not fall within the meaning of material non-listed Indian subsidiary defined in Explanation I of clause 49(iii) of the Listing Agreement, the following compliances are duly made by the company :

- i) Audit Committee reviews the financial statements made by the aforesaid subsidiary Company. There are no investments made by the aforesaid subsidiary Company during the period under review.
- ii) The minute of the Board Meeting of the subsidiary Company is placed at the Board Meeting of the Company.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members

J. J. Exporters Limited

We have examined the compliance of conditions of Corporate Governance by J. J. Exporters Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the guidance note on Certificate of Corporate Governance [as stipulated in Clause 49 of the Listing Agreement(s)], issued by The Institute of Chartered Accounts of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement(s).

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

7, Chittaranjan Avenue
Kolkata - 700 072
Dated : 26th day of May, 2010

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
Firm Registration No. 302111E
Anand Prakash
Partner
Membership No. 56485

AUDITORS' REPORT

To the members of
J. J. Exporters Ltd.

We have audited the attached Balance Sheet of **J. J. EXPORTERS LTD.**, as at 31st March, 2010, the annexed Profit & Loss Account for the year ended on that date, and also the Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with the 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2004, issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
3. Further to our comments in the Annexure referred to 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, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - iv) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) Based on the representations made by the Directors as on 31st March, 2010 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2010 prima-facie disqualified from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, further attention drawn to Note No. 28 of Schedule "O" regarding accounting of derivative transactions in view of legal advice, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and present 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 31st March, 2010;
 - (b) In the case of the Profit & Loss Account, of the loss for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

7, Chittaranjan Avenue
Kolkata - 700 072
Dated : 26th day of May, 2010

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
Firm Registration No. 302111E
Anand Prakash
Partner
Membership No. 56485



ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF J. J. EXPORTERS LTD.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii) (a) As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have, however, been confirmed by them.
 - (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its Inventory. Discrepancies that were noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account. However, it is not material in nature.

- iii) a) The Company has, granted unsecured interest free loans to its 100% subsidiary companies. The details of loan transactions are as follows : (Amount in Rupees)

No. of Party	Opening as on 01.04.09	Given during the year	Refunded during the year	Closing as on 31.03.10	Maximun balance
3	7,469,900	6,274,350	450,000	12,377,710	13,744,250

- b) In our opinion, the terms and conditions on which loans have been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company since being subsidiary companies.
 - c) The subsidiary company has repaid the principal amounts as stipulated and as per the mutual consent.
 - d) There is no overdue amount more than Rupees one lakh of aforesaid loan during the year.
 - e) According to the information and explanations given to us, the company has not taken any loan, secured or unsecured from companies, firms, other parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence comments on Clause No. III (f) and (g) of the said order does not arise.
- 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 purchase of inventory, fixed assets and for sale of goods and services. During the course of our previous assessment, no continuing failure to correct major weakness in internal control system had come to our notice.
 - v) a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that, the particulars of contracts or arrangements in which Directors were interested as contemplated under section 297 and sub-section (6) of section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under section 301 of the said Act, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
 - vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of Clause 4(vi) of the order are not applicable to the Company.
 - vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by firms of Chartered Accountants appointed by the management is commensurate with the size of the Company and the nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, in respect of the Company's product to which the said rules are made applicable and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the same;

ix) (a) According to the records of the Company, it has been generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory Dues with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2010, for a period of more than six months from the date they became payable;

(c) On the basis of our examination of the documents and records, the following disputed statutory dues on account of Income Tax and Sales Tax which have not been deposited with the appropriate authorities :

Nature of the dues	Amount	Forum where dispute is pending
Income Tax	Rs. 31,384,356/-	Commissioner Tax (appeals)
Sales Tax	Rs. 121,486,251/-	Joint Commissioner of Sales Tax

x) There are no accumulated losses of the Company at the end of the financial year and it has not incurred cash losses, both, in the financial year under report and the immediately preceding financial year.

xi) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.

xii) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.

xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of this clause are not applicable to the Company.

xiv) In our opinion and according to the information and explanation given to us, the Company has maintained proper records for its transactions of dealing or trading in shares and securities and timely entries have been made therein. The Company holds the shares, securities and other investments in its own name save and except 1,303,675 nos. of equity shares of the Company issued under the scheme of amalgamation, which are being held by J. J. Exporters Beneficiary Trust (Refer Note No. 6' of Schedule "0").

xv) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.

xvi) In our opinion and according to the information and explanations given to us, the term loans 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 Financial Statement of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of fund, we are of the opinion that the funds raised by the Company on short term basis have not been used for long term investment.

xviii) 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) According to the information and explanation given to us during the period covered by our Audit Report, the Company has not issued any debenture.

xx) The Company has not raised any money by way of public issue during the year.

xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Firm Registration No. 302111E

Anand Prakash

Partner

Membership No. 56485

7, Chittaranjan Avenue

Kolkata - 700 072

Dated : 26th day of May, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rupees)

	Schedule	As at 31.03.2010		As at 31.03.2009	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A	92,622,500		92,622,500	
b) Reserves & Surplus	B	497,253,298	589,875,798	489,985,771	582,608,271
2. Loan Funds					
Secured Loans	C		568,293,810		521,763,816
TOTAL		1,158,169,608		1,104,372,087	
II. APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	D	1,365,475,557		1,136,980,509	
Less : Depreciation		728,252,930		698,548,906	
Net Block		637,222,627		438,431,603	
Capital Work-in-Progress		3,937,938	641,160,565	110,770,130	549,201,733
2. Investments	E		90,818,117		95,275,483
3. Current Assets, Loans and Advances					
Current Assets					
(a) Inventories	F	249,931,295		265,286,518	
(b) Sundry Debtors		100,722,669		113,966,190	
(c) Cash and Bank Balances		27,589,799		48,905,304	
(d) Other Current Assets		7,463,176		9,387,564	
Loans and Advances	G	168,488,514		157,043,953	
		554,195,453		594,589,529	
4. Less : Current Liabilities and Provisions					
(a) Current Liabilities	H	67,332,121		73,901,699	
(b) Provisions		60,672,406		60,792,959	
		128,004,527		134,694,658	
Net Current Assets			426,190,926		459,894,871
TOTAL		1,158,169,608		1,104,372,087	

Notes to the Accounts & Accounting Policies

O

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjunwala

Executive Chairman

Rajiv Jhunjunwala

Vice-Chairman

S. L. Agrawal
Company Secretary**P. K. Singhi****P. K. Sarkar****P. J. Sheth****A. K. Shraff**

Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

	Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME			
Sales	I	595,531,619	648,175,212
Other Income	J	23,770,134	10,418,064
Total		619,301,753	658,593,276
EXPENDITURE			
Raw Material Consumed	K1	230,030,383	281,627,430
Finished Goods Purchases		10,000,927	14,022,961
(Increase)/Decrease in Stock	K2	43,031,820	26,705,449
Manufacturing Expenses	L	69,212,572	88,501,064
Personnel Expenses	M	103,808,830	106,827,728
Administration & Selling Expenses	N	107,413,448	113,274,314
Total		563,497,980	630,958,946
Operating Profit		55,803,773	27,634,330
Interest		21,556,291	23,540,894
Profit before Depreciation		34,247,482	4,093,436
Depreciation		34,617,794	44,039,708
Prior Period Items		296,161	3,788,508
Profit/(Loss) after Depreciation		(666,473)	(43,734,780)
Fringe Benefit Tax		-	1,290,188
Provision for Taxation		-	- 1,290,188
Profit/(Loss) after Tax		(666,473)	(45,024,968)
Add : Brought forward Profit		95,851,261	140,876,229
Profit available for Appropriation		95,184,788	95,851,261
Appropriations		-	-
Balance carried to Balance Sheet		95,184,788	95,851,261
Basic/Diluted Earning Per Share		(0.07)	(4.86)

Notes to the Accounts & Accounting Policies O

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjhunwala

Executive Chairman

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Vice-Chairman

S. L. Agrawal

Company Secretary

P. K. Singhi

P. K. Sarkar

P. J. Sheth

A. K. Shraff

Directors



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE "A" SHARE CAPITAL		
Authorised		
10,000,000 (10,000,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-up		
1,257,500 (1,257,500) Equity Shares of Rs. 10/- each fully paid-up in cash	12,575,000	12,575,000
42,500 (42,500) Equity Shares of Rs. 10/- each allotted as fully paid-up, pursuant to contract without payment being received in cash	425,000	425,000
5,876,000 (5,876,000) Equity Shares of Rs. 10/- each allotted as fully paid-up Bonus Shares by way of Capitalisation of Reserves	58,760,000	58,760,000
2,086,250 (2,086,250) Equity Shares of Rs. 10/- each allotted as fully paid pursuant to Scheme of Amalgamation	20,862,500	20,862,500
	92,622,500	92,622,500
SCHEDULE "B" RESERVES AND SURPLUS		
Share Premium Account		
As per last Balance Sheet	48,203,900	48,203,900
Capital Reserve		
Capital subsidy received from WBIDC	7,934,000	-
Pursuant to Scheme of Amalgamation	1,530,610	1,530,610
General Reserve		
As per last Balance Sheet	344,400,000	344,400,000
Profit & Loss Account		
Credit balance as per account annexed	95,184,788	95,851,261
	497,253,298	489,985,771
SCHEDULE "C" SECURED LOANS		
Term Loan		
In Indian Rupee :		
- From Bank	325,400,000	266,900,000
Working Capital Loan from Banks		
Packing Credit Loan from Banks - in INR	1,005,137	100,040
Packing Credit Loan from Banks - in Foreign Currencies	161,332,593	177,919,800
Bills Discounted with Banks - in Foreign Currencies	65,290,831	48,243,472
Cash Credit from Banks	15,265,249	28,600,504
	568,293,810	521,763,816

Note : For Security Clause refer Note no. 8 of Schedule 'O'

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "D"	FIXED ASSETS					GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Particulars	As on 01.04.2009	Additions during the year	Sales during the year	Total as on 31.3.2010	Upto 31.3.2009	During the year	Adjustment on Sales	Less	Total as on 31.3.2010	As on 31.3.2010	As on 31.3.2009			
Free-hold Land	31,162,926	-	-	31,162,926	-	-	-	-	-	-	31,162,926	31,162,926			
Leasehold Land	3,732,737	-	-	3,732,737	161,463	12,213	-	-	173,676	3,559,061	3,571,274				
Buildings & Structures	243,339,013	182,980,336	4,008,636	422,310,713	72,592,924	10,457,659	1,365,217	-	81,685,366	340,625,347	170,746,089				
Plant & Machineries	768,000,383	8,738,069	1,445,975	775,292,477	569,090,970	17,072,581	977,591	-	585,185,960	190,106,517	198,909,413				
Office Equipments	4,017,156	332,867	31,625	4,318,398	2,157,159	242,882	23,551	-	2,376,490	1,941,908	1,859,997				
Electronic Data Processing Machines	29,856,707	5,946,074	-	35,802,781	23,563,435	2,320,575	-	-	25,884,010	9,918,771	6,293,272				
Electrical Installations	16,647,675	23,269,915	-	39,917,590	6,006,328	1,368,266	-	-	7,374,594	32,542,996	10,641,347				
Air-Conditioners	2,486,169	1,765,755	307,200	3,944,724	1,122,418	200,927	199,930	-	1,123,415	2,821,309	1,363,751				
Fire Fighting Equipments	671,855	-	-	671,855	270,478	39,754	-	-	310,232	361,623	401,377				
Furniture & Fittings	24,324,556	11,386,190	-	35,710,746	15,188,351	1,760,592	-	-	16,948,943	18,761,803	9,136,205				
Motor Cars	11,445,860	2,885,366	3,041,232	11,289,994	7,548,374	1,062,021	2,347,481	-	6,262,914	5,027,080	3,897,486				
Motor Van	506,759	-	-	506,759	259,891	43,928	-	-	303,819	202,940	246,868				
Scoter & Cycles	433,702	-	-	433,702	342,624	21,644	-	-	364,268	69,434	91,078				
Weighing Scales	355,011	25,144	-	380,155	244,491	14,752	-	-	259,243	120,912	110,520				
Total	1,136,980,509	237,329,716	8,834,668	1,365,475,557	698,548,906	34,617,794	4,913,770	728,252,930	637,222,627	438,431,603					
Previous year's total	1,113,336,053	29,730,481	6,086,025	1,136,980,509	657,148,891	44,039,708	2,639,693	-	698,548,906	438,431,603	456,187,162				
Capital Work-in-Progress:	110,770,130	2,148,148	108,980,340	3,937,938	-	-	-	-	-	3,937,938	110,770,130				
Total	1,247,750,639	239,477,864	117,815,008	1,369,413,495	698,548,906	34,617,794	4,913,770	-	728,252,930	641,160,565	549,201,733				

* Includes Rs. 366,381/- for Leasehold Land, which is being depreciated over the period of lease.



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "E"		INVESTMENT : (At cost)							
Particulars	Face Value	AS AT 01.04.2009		ADDITIONS (COST)		DEDUCTIONS (COST)		AS AT 31.03.2010	
		No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
A) Long Term :									
i) in fully paid-up share of sub. Co. (trade)									
Equity shares (Unquoted)									
- Tanushree Silks Ltd.		180,000	1,800,008					180,000	1,800,008
- Spin International Inc.			40,809						40,809
- OOO J J Home (FC)		1	16,272					1	16,272
- J J Creations SA (FC)		85	1,500,690					85	1,500,690
ii) Unquoted									
- Ballygunge Services Pvt. Ltd.	10	1,000	10,000					1,000	10,000
iii) Equity Shares (quoted)									
- J. J. Exporters Ltd. (Held by J. J. Exporters Beneficiary Trust)	10	1,303,675	81,100,278					1,303,675	81,100,278
- ABG Infralogistics Limited	10	16,250	5,696,609			7,620	1,473,103	8,630	4,223,506
- ABG Shipyard Limited	10	5,000	2,832,921					5,000	2,832,921
B) Short Term :									
i) Investment in Govt. Securities (non - trade)									
Unquoted									
- National Shavings Certificates			12,350						12,350
- Indira Vikas Patra			200						200
ii) Other Securities (non - trade)									
- Adlabs Film Ltd. *	10	1,000	1,124,558			1,000	1,124,558	-	-
- Reliance Media World Ltd. *	5			1,000	562,279			1,000	562,279
- Reliance Media Works Ltd. *	5			1,000	562,279	1,000	562,279	-	-
- Jindal South West Holdings Ltd.	10	1,000	2,589,895			1,000	2,589,895	-	-
- Jay Prakash Hydro Ltd.	10	8,000	1,098,590			8,000	1,098,590	-	-
- N M D C Ltd.	10	3,500	1,275,295			3,500	1,275,295	-	-
- Usha Martin Ltd. (After Split)	1	38,751	2,834,197	2,000	154,821	38,286	2,816,953	2,465	172,065
- R. S. Software India Ltd.	10			20,873	919,670	12,873	530,973	8,000	388,697
- Reliance Power Ltd.	10			1,100	163,626			1,100	163,626
- Mount Everest Ltd.	10			5,500	404,134			5,500	404,134
Less : Provision for fall in value of short term investment			(6,657,189)						(2,409,718)
			95,275,483						90,818,117

*Note : Adlabs Film Ltd. demerged to Reliance Media World Ltd. & Reliance Media Works Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009		
	Cost	Market value	Cost	Market value	
Aggregate Value of Quoted Investment	89,847,506	35,065,370	98,552,343	23,812,003	
Aggregate Value of Un-quoted Investment	3,380,329		3,380,329		
Equity Share Purchased and Sold during the year :					
Particulars	Face Value	As at 31.03.2010		As at 31.03.2009	
		No. of Share	Cost	No. of Share	Cost
N T P C Ltd.	10	1,000	227,757	-	-
R. S. Software India Ltd.	10	12,873	530,972	-	-
Reliance Media Works Ltd.	5	1,000	289,935	-	-
Birla Corporation Ltd.	10	500	159,901	-	-
Bharat Heavy Electricals Ltd.	10	-	-	500	822,839
Larsen & Toubro Ltd.	10	-	-	500	1,265,155
SCHEDULE "F" CURRENT ASSETS					
Inventories (As taken & certified by the Management)					
Raw Materials		81,720,244		55,001,870	
Finished Goods		89,559,234		120,913,163	
Semi-Finished Goods		64,060,619		75,738,510	
Packing Materials		312,760		310,221	
Stores		14,278,438	249,931,295	13,322,754	265,286,518
Sundry Debtors (Unsecured, considered Good)					
Debt Outstanding for a period exceeding six months		8,780,011		8,839,152	
Other Debts		91,942,658	100,722,669	105,127,038	113,966,190
Cash and Bank Balances					
Cash-in-Hand [including Foreign Exchange-in-Hand [Rs. 149,897/- (Rs. 88,501/-) & Cheque-in-Hand Rs. 1,478/- (Rs. 200/-)]		568,959		1,093,879	
Balance with Scheduled Banks :					
- In Current Account		10,402,279		29,578,199	
- In Fixed Deposit Account (under lien - Rs. 11,151,073/- (Rs. 11,473,384/-)		14,401,073		14,296,130	
- In Unpaid Dividend Account		847,540		868,680	
- In Foreign Currency Account		1,369,948	27,589,799	3,068,416	48,905,304
Other Assets					
Interest Accrued		1,712,827		1,691,874	
Duty Draw-Back Receivable		336,348		918,394	
DEPB Entitlements Receivable		475,670		602,007	
TUFS Subsidy Receivable		4,938,331	7,463,176	6,175,289	9,387,564
		385,706,939		437,545,576	



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE "G" LOANS & ADVANCES				
Loans (Unsecured, Considered Good)				
To Subsidiaries	12,377,710		7,469,900	
To Others	1,000,000	13,377,710	1,500,000	8,969,900
Advances (Considered Good) (Recoverable in Cash or in kind or for value to be received) [excluding Rs. 571,482/- (Rs. 571,482/-) considered doubtful & fully provided]	25,134,199		18,490,326	
Advances against Capital Goods (Excluding Rs. 840,000/- considered doubtful & fully provided)	12,749,399		11,635,595	
Security Deposits	3,885,033		5,143,168	
Prepaid Expenses	1,908,104		1,618,794	
Advance Fringe Benefit Tax	2,634,710		2,708,894	
Advance Income-Tax/Wealth-Tax	69,472,908		69,150,825	
Claim Receivable (Refer Note no. 28 of Schedule 'O')	35,772,526		35,772,526	
Income Tax Refund Receivable	3,553,925	155,110,804	3,553,925	148,074,053
	168,488,514		157,043,953	

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS				
A) Current Liabilities				
Sundry Creditors :				
- Micro, Small and Medium Enterprise		-		-
- Others	60,145,194		64,232,399	
- Other Liabilities	3,527,776		4,367,144	
- Advance from Customers	2,827,044		4,464,849	
Unclaimed Dividend *	832,107	67,332,121	837,307	73,901,699
B) Provisions				
For Taxation		60,672,406		60,792,959
		128,004,527		134,694,658

* There is no amount due and outstanding as at Balance Sheet date to be credited to Investor's Education and Protection Fund.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "I" SALES	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Exports Sales (FOB Value)	532,521,821		613,850,816
Deemed Exports	13,630,925		14,610,923	
Local Sales/Realisations	19,253,056		32,297,070	
Design and Development Income	3,772,487	569,178,289	3,982,440	664,741,249
Export Incentives :				
Duty Exemption Pass-Book Entitlements	371,538		580,868	
Duty Draw-Back	4,185,137		6,860,195	
Focus Product Incentive Scheme	3,449,391		-	
Foreign Exchange Rate Fluctuation Gain (Net)	18,347,264	26,353,330	(24,007,100)	(16,566,037)
		595,531,619		648,175,212

SCHEDULE "J" OTHER INCOME				
Dividend on Long-term Investments		65,000		172,500
Dividend on Short-term Investments		35,064		197,533
Interest Gross [TDS Rs. 153,528/- (Rs. 407,463/-)]		1,474,652		2,106,386
Rent Received [TDS Rs. 32,553/- (TDS Rs. 115,137/-)]		177,242		569,750
Profit on Sale of Fixed Assets		8,488,758		5,010,380
Miscellaneous Receipts & Adjustments (Net)		3,963,316		1,398,455
Sundry balances written back (net)		5,318,631		963,060
Provision for fall in value of Investment written back		4,247,471		-
		23,770,134		10,418,064

SCHEDULE "K1" RAW MATERIALS CONSUMED				
Raw Material				
Opening Stock	55,001,870		96,088,091	
Add : Purchases	262,159,581	317,161,451	243,117,803	339,205,894
Less : Sales of Process Rejects	5,410,824		2,576,594	
Less : Closing Stock	81,720,244	87,131,068	55,001,870	57,578,464
		230,030,383		281,627,430



SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "K2" (INCREASE)/DECREASE IN STOCKS	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Closing Stock			
Work-in-Progress & Semi-processed Yarn	64,060,619		75,738,510	
Finished Goods	89,559,234	153,619,853	120,913,163	196,651,673
Opening Stock				
Work-in-Progress & Semi-processed Yarn	75,738,510		98,786,825	
Finished Goods	120,913,163	196,651,673	124,570,297	223,357,122
		43,031,820		26,705,449

SCHEDULE "L" MANUFACTURING EXPENSES		
Stitching, Embroidery & Designing Charges	13,605,760	14,199,125
Weaving, Dyeing, Printing & Processing Expenses	7,900,641	20,710,786
Stores Consumed	10,158,970	12,402,949
Power & Fuel	35,704,707	39,237,126
Carriage Inward	1,842,494	1,951,078
	69,212,572	88,501,064

SCHEDULE "M" PERSONNEL EXPENSES		
Salary	45,307,836	44,688,213
Wages	25,732,223	25,645,133
Allowances	12,233,603	12,235,571
Bonus & Exgratia	6,930,912	5,855,764
Staff Welfare	2,952,356	2,817,372
Gratuity	498,510	3,037,087
Contribution to Provident Fund and Other funds	9,815,750	10,624,047
Provision For Leave - Pay	337,640	1,924,541
	103,808,830	106,827,728

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "N" ADMINISTRATION & SELLING EXPENSES		For the year ended 31.03.2010		For the year ended 31.03.2009	
Rent		2,032,819		5,364,770	
Rates & Taxes		1,367,103		1,182,242	
Printing & Stationery		2,749,313		2,420,255	
Postage, Telegrams, Telephone & Telex		3,532,309		3,817,789	
Service Charges		3,560,947		1,986,563	
Vehicles Maintenance		1,695,474		1,792,777	
Insurance Premium (Net)		940,815		1,236,234	
Sales Tax/Turnover Tax		-		45,368	
Bank Charges		4,231,114		3,693,884	
Director's Remuneration		4,433,220		4,658,432	
Director's Meeting Fees		350,000		550,000	
Auditor's Remuneration :					
As Audit fees		657,445		667,698	
For Tax Audit Fees		90,000		101,180	
For Taxation		378,006		186,003	
For Certification		212,681		367,979	
For Reimbursement of Travelling Expenses		116,748	1,454,880	79,195	1,402,055
Repairs & Maintenance :					
To Building		2,232,755		1,274,412	
To Machinery		5,069,774		4,134,579	
To Others		1,987,906	9,290,435	1,830,542	7,239,533
Provision for fall in value of investments		-		3,100,736	
Loss/(Profit) on Sale of Investment (Short Term)		1,448,700		1,474,211	
Sundry Expenses [(including for earlier years Rs. NIL) (Rs. 1,294,056/-)]		12,985,722		12,047,669	
Charity & Donations		51,517		541,771	
Travelling Expenses :					
Foreign Travelling		9,564,961		11,542,811	
Inland Travelling		1,301,791	10,866,752	1,295,066	12,837,877
Conveyance		3,116,481		1,096,661	
Trade Fair Expenses (Net)		1,013,226		2,779,136	
Advertisement		775,557		231,332	
Samples (Net)		7,486,367		8,132,276	
Packing Expenses		2,236,094		2,795,721	
Commission & Brokerage		21,440,342		25,401,495	
Freight & Delivery Charges		2,105,093		1,730,994	
Export Credit Guarantee Premium		1,618,735		1,642,662	
Export Promotion Expenses		43,300		115,400	
Export Expenses		1,444,312		862,045	
Rebate & Discounts		4,726,842		1,628,116	
Market Survey Expenses		415,979		1,466,310	
		107,413,448		113,274,314	



SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rupees)

SCHEDULE "O"	NOTES TO ACCOUNTS & ACCOUNTING POLICIES		
		31.03.2010	31.03.2009
1.	Estimated amount of contracts remaining to be executed on		
	Capital Accounts and not provided for -		
	{Advance paid Rs. 1,52,13,602/- (Previous Year Rs. 2,75,60,459/-)}	-	62,839,541
2.	Contingent Liabilities not provided for :		
a)	Letters of Credit opened by Bank	1,457,808	-
b)	Letters of Guarantee	8,210,190	8,210,190
c)	Income Tax pending in appeals for earlier years	31,384,356	31,384,356
d)	Case pending in Labour Court	159,200	159,200
e)	Provident Fund dues under appeal	105,783	105,783
f)	Sales Tax claim under appeal (For this the management expects no liability)	121,486,251	-

3. Significant Accounting Policies adopted by the Company

a) Historical Conventions and Revenue Recognition

- i) Financial Statements are drawn using the historical cost convention and adopting accrual basis save and except claims realization on A/c of samples which are accounted for on settlement/receipt basis in view of uncertainty of realizations.
- ii) Export Sales have been booked on FOB basis on the date of shipment.
- iii) Sale of import/export entitlements received by way of SIL/QUOTA Licenses has been booked as on the date of sale thereof, however Duty Draw Back and DEPB entitlements are accounted for on accrual basis on eligible amount of exports made and entitlement of target plus scheme is accounted for on utilization basis as per the scheme.

b) Fixed Assets and Capital Expenditure

- a) Fixed Assets are stated at cost which includes installation and other expenditures. Such expenditure comprises purchase price, import duties, levies and any directly attributable cost of bringing the assets to their working conditions.
- b) Capitalisation of Construction Period expenses :
Direct Expenses as well as clearly identifiable indirect expenses incurred during construction period have been capitalised directly with respective assets, financing cost and other allocable expenses during the construction period of project have been capitalised proportionately.

c) Depreciation

Depreciation for the year has been provided on written down value method at the rate prescribed in Schedule XIV of the Companies Act, save and except for unit J. J. Spectrum Silk and Kol EOU where depreciation has been provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act. Leasehold Land is being depreciated over the period of lease, wherever applicable. Increase/Decrease in value of assets arising out of exchange rates fluctuation is charged over the remaining useful life of the assets upto the year 31st March, 2007 and later on it has been charged to the Profit & Loss Account in accordance with the Accounting Standard 11, notified in Companies (Accounting Standard) Rules, 2006.

d) Valuation of Inventory

- i) Stock of finished/semi finished goods has been valued at weighted average cost representing costs which has been incurred in bringing the inventory to their present conditions or net realisable value whichever is lower except for damaged and rejected goods which has been valued at estimated realisable value as per continuous practice followed by the Company.
- ii) Raw Materials and Stores have been valued at weighted average cost or net realisable value whichever is lower.

SCHEDULE "O" (Contd.)**e) Investments**

Long Term Investments are stated at cost. Provision is being made for diminution in value other than temporary in nature. Short Term Investments are valued category wise at cost or market price whichever is lower.

f) Foreign Currency Transactions

- i) All foreign currency income and expenses are generally recorded at the exchange rate prevailing on the date of transactions/negotiation with the Company's banker save and except where forward contract has been booked which is being recorded at relevant rate. Premium on forward contract is being accounted for during the life of contract.
- ii) Current Assets and Liabilities in Foreign Currencies have been converted at exchange rates prevailing at the year end except in case where forward contract has been booked by the Company against these assets/liabilities wherein the same has been converted at contracted rates.
- iii) Foreign Currency retained out of export proceeds in Exchange Earners' Foreign Currency Account with banker has been converted at bank advice rate applied for the relevant export bills except in case of collection bills wherein the same has been converted at spot rate prevailing on the date of realisation of the bills.
- iv) Commission to foreign agents is converted at exchange rates prevailing at the time of accounting such liability in Company's books.
- v) The Company has approved policy of hedging. Accordingly, derivative contracts are entered into to hedge highly probable sales transactions or firm commitments. As per accounting policies adopted by the Company, the gain or loss on settlement of the hedge contract is adjusted in sale/purchase as the case may be in the period in which transaction is accounted for.

g) Employee Benefits

- i) Short-term employee benefits including Leave Encashment are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Post Employment benefits and other long term employee benefits.
 "Defined Contribution Plans - Company's contribution to Provident Fund and Employee State Insurance Scheme are determined under the relevant schemes and/or statute and charged to revenue.
 Defined Benefit Plans - Company's liability towards Gratuity is actuarially determined at each Balance Sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in revenue. The contribution towards Gratuity is funded with LIC."

h) Taxation

Income Tax expense comprises current tax and deferred tax charge or credit. Deferred Tax Asset or Liability is recognised using substantively enacted tax rates. Deferred Tax Assets/Liabilities are reviewed as at each balance sheet date based on developments during the year and to reassess realisation/liabilities.

i) Impairment of Assets

Impairment of Assets are assessed at Balance Sheet date and if any indicators of impairment exist, the same is assessed and provided for.

j) Provisions for Contingent Liabilities & Contingent Assets

Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimate of probable outflows of resources. Contingent Liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes on Accounts. Contingent Assets are not provided for or disclosed.

k) Government Grants

State Capital Investment Subsidy has been credited to capital reserve account on receipt basis, in accordance with Accounting Standard 12.

l) Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost until the asset is ready for its intended use. A qualifying asset is an asset that necessary require a substantial period of time to get ready for its intended use. After that the borrowing costs are recognised as an expense in the period in which they are incurred.



SCHEDULE "O" (Contd.)

4. Realisation on account of samples from foreign buyers have been credited to sample expenses account.
5. The Company has not received information from vendors regarding the status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this act have not been given .
6. In respect of the equity shares of erstwhile J. J. Spectrum Silk Ltd. held by the Company, 1,303,675 equity shares which have been issued by the transferee Company in terms of scheme, were allotted to the Board of Trustees to have and hold the same in Trust exclusively for the benefit of the Transferee Company and deal with the same as they think/deem fit.
7. In the opinion of Board of Directors, all the Current Assets, Loan and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
8. Working Capital facilities with Indian Overseas Bank, City Bank NA and The Federal Bank Ltd. are secured by first charge on Current Assets of the Company on pari-passu basis.

As collateral security, Indian Overseas Bank has a second pari-passu charge on the Plant & Machinery of the Company's Dyeing Unit at Rajajinagar, Bangalore, Land and Building at Rajajinagar and Fixed Assets of J. J. Spectrum Silk.

As collateral security, The Federal Bank Ltd. has a second pari-passu charge on Plant & Machinery at Company's Dyeing Unit at Rajajinagar, Bangalore and Company's Land & Building at Rajajinagar, Bangalore.

Rupee Term Loan with Industrial Development Bank of India Ltd has been secured as follows :

Purpose	Description of Property
Retail showroom	(i) Plant and Machinery of Kolkata EOU on first Charge. (ii) Entire movable and immovable property (excluding current assets) of retail showroom on first charge basis. (iii) Stock of Raw Material, WIP and Finished goods of all units on second charge.
Dodaballabpur	(i) First charge on Land and Building at Dodaballabpur. (ii) First charge on Plant and Machinery of Dyeing Unit at Rajaji Nagar. (iii) First charge on movable and immovable assets (except stock) of J. J. Spectrum Silk. (iv) First charge on movable and immovable assets (excluding stock) of EOU at Kolkata. (v) Second charge on current assets of Dyeing unit.
Kolkata EOU	(i) Whole of movable properties (other than Stock) of the Company situated at Gangarampur, EOU-I, EOU-II and Dyeing unit at Bangalore on first charge. (ii) Land measuring 40,000 sq. feet together with buliding thereon and Plant & Machinery on first charge. (iii) Land measuring 2454.24 sq. yard along with factory building measuring 17920 sq. ft. situated at Rajajinagar on first charge. (iv) Personal guarantee of a Director.

9. As the Company's business activities fall mainly within a single primary business segment viz. dealing in fabrics and accessories, so disclosure requirement of Accounting Standard 17 "Segment Reporting", notified in Companies (Accounting Standard) Rules, 2006, has not been given.

10. Disclosures regarding Derivative Instruments

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The use of these foreign exchange contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange contracts for trading or speculation purposes.

SCHEDULE "O" (Contd.)

(Amount in Rupees)

Forward exchange contracts outstanding as at the year end :

Currency Pair	Currency	31.03.2010		31.03.2009	
		Buy	Sell	Buy	Sell
USD/INR	INR	-	-	-	163,150,000

This excludes derivative transaction of \$ NIL (\$ 5,850,000) with one bank which has been disputed by the Company.

11. Related Party Disclosure in accordance with Accounting Standard 18 notified in the Companies (Accounting Standard) Rules, 2006.

Name of the related party	Relationship
a) Where common control exist i) Spin International Inc. ii) Tanushree Silks Ltd. iii) OOO JJ Home iv) JJ Creations S.A.	Wholly Owned Subsidiary Company Wholly Owned Subsidiary Company Wholly Owned Subsidiary Company Subsidiary Company
b) Key Managerial Personnel i) Sri S. N. Jhunjhunwala ii) Sri Rajiv Jhunjhunwala iii) Mrs. Laxmi Jhunjhunwala iv) Shri Arun Kumar Shraff	Executive Director & Executive-Chairman Executive Director & Vice-Chairman Director Whole Time Director
c) Relative of Key Managerial Personnel i) Mrs. Neha Jalan, Designing Consultant ii) Mrs. Kavita Jhunjhunwala	Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman Wife of Mr. Rajiv Jhunjhunwala, Vice-Chairman

Nature of Transaction	Related Parties referred under (a) above		Related Parties referred under (b) & (c) above	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
i) Purchase of Goods	-	19,633	-	-
ii) Sale of Goods	155,515,999	211,058,563	-	-
iii) Job Charges Paid	68,808	4,991,784	-	-
iv) Rent & Electricity charges received	-	150,000	-	-
v) Remuneration Paid	-	-	4,973,220	5,198,432
vi) Outstanding Receivable	29,615,376	47,274,583	-	-
vii) Outstanding Payable	6,187	6,978	-	-
viii) Loan Refund Received	450,000	900,000	-	-
ix) Loan Granted	5,357,810	3,987,700	-	-
x) Loans Outstanding	12,377,710	7,469,900	-	-
xi) Sample Development & Designing Charges Received	1,885,117	965,651	-	-
xii) Sample Development & Designing Charges Paid	22,865	27,030	-	-

Note : Related Party relationship is identified by the Company and relied upon by Auditor.

12. Earning Per Share

	31.03.2010	31.03.2009
i) Net Profit after Tax available for Equity Shareholders	(666,473)	(45,024,968)
ii) Weighted Average Number of Equity Shares of Rs. 10/- each outstanding during the year	9,262,250	9,262,250
iii) Basic/Diluted Earning Per Share	(0.07)	(4.86)



SCHEDULE "O" (Contd.)

(Amount in Rupees)

13. As a matter of prudence no deferred tax assets after adjusting MAT liability has been recognised in the account in accordance with "Accounting Standard 22", as prescribed by Companies Act, 1956.

14. Loans & Advances in the nature of loans to subsidiaries (Interest Free)

	Amount Outstanding		Maximum balance during the year	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
i) Tanushree Silks Ltd.	1,580,000	2,030,000	2,030,000	2,930,000
ii) OOO JJ Home	10,197,410	4,770,000	11,044,350	4,770,000
iii) J J Creations S.A.	600,300	669,900	669,900	669,900

15. Profit and Loss on Sale of Investment excludes Rs. 12,019/- (Rs. 13,627/-) on account of Security Transaction Tax paid on such transactions.

16. Quantitative information in respect of Production, Purchases, Sales and Stocks

Class of Goods	Unit	Licensed Capacity	Installed Capacity	Actual * Production Qty.	Opening Stock		Purchases		Sales**		Closing Stock	
					Qty.	Value (Rs. '000)	Qty.	Value (Rs. '000)	Qty.	Value (Rs. '000)	Qty.	Value (Rs. '000)
Silk Fabrics	1000 Mtrs. (1000 Mtrs.)	N.A. (N.A.)	N.A. (N.A.)	892 (1,343)	355 (354)	92,930 (105,561)	25 (48)	7,553 (9,096)	1,026 (1,390)	517,515 (605,696)	246 (355)	78,823 (92,930)
Cotton/Woolen Fabrics	1000 Mtrs. (1000 Mtrs.)	N.A. (N.A.)	N.A. (N.A.)	8 (14)	18 (10)	3,355 (1,005)	4 (14)	172 (730)	15 (20)	2,548 (1,865)	15 (18)	3,202 (3,355)
Garments & Madeups	1000 Nos. (1000 Nos.)	N.A. (N.A.)	N.A. (N.A.)	111 (149)	45 (58)	20,694 (18,003)	4 (1)	394 (425)	145 (163)	36,484 (29,527)	15 (45)	1,954 (20,694)
Misc. Handicraft Items (Showroom)		N.A. (N.A.)	N.A. (N.A.)	- -	- -	3,934 -	- -	1,882 (3,771)	- -	8,859 (5,330)	- -	5,580 (3,934)
Yarn Trading	1000 Mtrs. (1000 Mtrs.)	- (N.A.)	- (N.A.)	- (15)	- -	- -	- -	- -	- (15)	- (16,340)	- -	- -
Total						120,913 (124,569)		10,001 (14,022)		565,406 (658,758)		89,559 (120,913)

* Does not include cotton fabrics, garments issued as samples.

** Includes fabrics used as Raw Material in inter units.

17. Consumption of Raw Materials

Class of Goods	Units	Quantity 31st March		Value/Rs. in '000 31st March	
		2010	2009	2010	2009
Fabrics	1000 Mtrs.	244	367	34,898	40,530
Yarn	1000 Kgs.	133	208	183,229	226,245
Other Materials				11,903	14,852
Total				230,030	281,627

SCHEDULE "O" (Contd.)

(Amount in Rupees)

18. Imports & Consumption

	Capital Goods 31st March		Stores 31st March		Raw Materials 31st March	
	2010	2009	2010	2009	2010	2009
a) Imports (C.I.F. Value)	Nil	Nil	3,459,066	5,406,174	214,884,178	224,288,275
b) Consumption						
i) Imported	Nil	Nil	3,195,378	5,596,410	189,208,207	239,857,122
Percentage of Total			31.45%	45.12%	82.25%	85.17%
ii) Indigenous	Nil	Nil	6,963,592	6,806,539	40,822,176	41,770,308
Percentage of Total			68.55%	54.88%	17.75%	14.83%

19. Foreign Currency Income & Expenditure

	31.03.2010	31.03.2009
Income :		
i) Export of Goods (F.O.B. Basis) (Net after adjustment of Sales returns)	532,521,821	613,850,816
ii) Sample & Development Cost Received (Net)	5,199,420	5,018,284
iii) Sundry balances written back (Net)	3,982,998	-
Expenditure :		
i) Commission	21,273,285	24,278,954
ii) Travelling	6,161,045	7,851,555
iii) Foreign Trade Fair	780,951	2,418,836
iv) Subscription	130,958	117,485
v) Others	233,980	811,860
vi) Rebates & Discounts	3,951,161	2,402,968
vii) Sundry Balances written off (Net)	-	1,421,069
viii) Pre-paid Expenses	120,559	30,382
ix) Interest paid in Indian Rupees on Foreign Currency Loans	9,334,261	8,337,000
x) Turnover Bonus	10,623	317,583
xi) Advertisement Charges	33,280	25,447
xii) Market Survey Expenses	1,105,313	1,911,778

20. Comparative figures for the Previous Year have been regrouped/recasted wherever necessary and the same have been indicated in brackets.

21. Wholtime Director's Remuneration

	31.03.2010	31.03.2009
a) Salaries & Bonus	3,874,040	4,077,400
b) Contribution to P. F. and Other Funds	456,600	489,290
c) Other Perquisites	102,580	91,742
Total	4,433,220	4,658,432

22. Land measuring about 2.07 acre duly conveyed in the name of one of the unit of the Company by the State Government has been disputed by the original owner and the matter is subjudice.



SCHEDULE "O" (Contd.)

(Amount in Rupees)

23. In respect of 100% Export Oriented Units, as per the prevailing laws and guidelines, they are exempted from Customs and Central Excise Duties and Levies. The Company has executed legal undertaking to pay the Customs and Central Excise Duties and Liquidated Damages, if any, in respect of capital goods, raw material, stores etc. procured duty free in the event of non-fulfillment of the terms and conditions.
24. Interest includes Rs. 27,279,071/- (Rs. 24,599,508/-) on term loans.
25. Loans and Advances include Rs. 10,713/- (Rs. 27,804/-) balance lying with central excise department.
26. There is no amount to be credited to Investors Education & Protection Fund as on 31st March, 2010.
27. Interest on Term Loan is net of Rs. 6,424,773/- (Rs. 7,072,105/-) of TUFs subsidy.
28. Certain Foreign Currency Derivative transactions of the Company with Citi Bank and ICICI Bank have been held contrary to law by a Statutory Authority. Hence the company has disputed these transactions with respective Banks and claimed refund of the paid amount Rs. 35,772,526/- under these contracts. Accordingly, accounting entries were effected by the Company during the financial year ended 31.03.2009 for the said amount by showing the same as Claims Receivable from Banks, instead of debiting to Profit & Loss Account. In view of above, further claims made by these Banks for cancellation of said transactions amounting to Rs. 140,300,175/- (excluding interest) have also neither been accounted for nor acknowledged by the Company.
29. Certain Long Term Investments are strategic in nature and fall in value is temporary, hence it has not been provided in these accounts.
30. Exchange difference in respect of Forward Exchange Contract to be recognised in Profit & Loss Account is Rs. NIL (Rs. 1,770,466/-).
31. The Disclosure required under Accounting Standard 15 "Employees Benefit" notified in the Companies (Accounting Standard) Rules 2006, are given below :

A. Defined Contribution Plans

An amount of Rs. 9,815,750/- (Rs. 10,624,047/-) is recognised as expense in the profit and loss account (refer Schedule "M")

B. Defined Benefit Plans

Gratuity Plan - The Employees Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Current year Total	Previous year Total
1) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of obligation as at beginning of the year	16,664,802	15,334,170
Interest Cost	1,333,184	1,226,733
Current Service Cost	2,055,234	2,217,096
Benefits Paid	(2,417,557)	(1,657,795)
Actuarial (Gain)/Loss on obligations	(768,476)	(455,402)
Present value of obligation as at end of the year	16,867,187	22,332,146
2) Reconciliation of opening and closing balances of Fair value of Plan Assets		
Fair Value of Plan Assets at beginning of the year	16,352,690	14,050,975
Expected return on plan assets	1,497,751	1,330,990
Contribution	3,206,149	2,628,520
Benefits Paid	(2,417,557)	(1,657,795)
Actuarial Gain/(Loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of the year	18,639,033	16,352,690

SCHEDULE "O" (Contd.)

(Amount in Rupees)

	Current year Total	Previous year Total
3) Reconciliation of Fair value of assets and obligations		
Acturial Gain/(Loss) for the year - Obligations	768,476	(455,402)
Acturial (Gain)/Loss for the year - Plan assets	-	-
Total (Gain)/Loss for the year	(768,476)	455,402
Acturial (Gain)/Loss recognised in the year	(768,476)	455,402
4) Amount recognised in Balance Sheet		
Present value of Defined Benefit Obligation	16,867,187	16,664,802
Fair value of Plan Assets	18,639,033	16,352,690
Net assets recognised in Balance sheet	1,771,846	312,112
5) Expenses Recognised during the year in the profit and loss account (under the head salary, wages, bonus, & gratuity Refer schedule "M")		
Current Service Cost	2,055,234	2,217,096
Interest Cost	1,333,184	1,226,733
Expected return on plan assets	(1,497,751)	(1,330,990)
Net Acturial (Gain)/Loss recognised in the year	(768,476)	(455,402)
Expenses recognised in the Profit & Loss Account	1,122,191	1,657,437
6) Acturial Assumptions		
Discount Rate (Per Annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of Escalation in Salary (per annum)	6.00%	7.00%

"The estimation of rate escalation in salary considered in the actuarial valuation take into account inflation, seniorty, promotion and other relevant factors including supply and demand in employment market. The above information as provides by the actuary."



SCHEDULE "O" (Contd.)

32. Additional information as required under part IV to the Companies Act 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	28631	State Code	021
Balance Sheet Date	31.03.2010		

II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue (Excluding Premium)	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities	1,158,170	Total Assets	1,158,170
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Sources of Funds :

Paid-up Capital	92,622	Unsecured Loans	NIL
Reserve & Surplus	497,253	Deferred Tax liability	NIL
Secured Loans	568,294		

Application of Funds :

Net Fixed Assets	641,160	Investments	90,818
Net Current Assets	426,191	Misc. Expenditure	NIL
Accumulated Loss	NIL		

IV. Performance of the Company (Amount in Rs. Thousands)

Total Income	(619,302)	Total Expenditure	619,968
Profit/(Loss) before Tax	(666)	Profit after Tax	(666)
Earning Per Share (in Rs.)	(0.07)	Interim Dividend Rate (%)	NIL
Final Dividend Rate (%)	NIL		

V. Generic Names of Principal Products/Services of Company (As per Monetary term)

Item Code No. (I.T.C. CODE)	50.07
Product Description	Silk Fabrics

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjunwala

Executive Chairman

Rajiv Jhunjunwala

Vice-Chairman

S. L. Agrawal
Company Secretary

P. K. Singhi

P. K. Sarkar

P. J. Sheth

A. K. Shraff

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs. Lacs)

	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(6.66)	(437.35)
Adjustments for :		
Depreciation	346.17	440.40
(Profit)/Loss on Sale of Investments	14.49	14.74
Interest/Dividend received	(15.75)	(24.76)
Interest paid	215.56	235.41
(Profit)/Loss on sale of Fixed Assets	(84.89)	(50.10)
Provision for fall in the value of Current Investments	(42.47)	31.01
Operating Profit before Working Capital changes	426.45	209.35
Adjustments for :		
Trade & Other receivables	83.79	440.17
Inventories	153.55	730.35
Trade Payables	(65.64)	117.88
Cash generated from Operations	598.15	1,497.75
Direct Taxes paid (Net)	(3.69)	(34.75)
Net Cash from Operating Activities A	594.46	1,463.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work-in-Progress and advance against Purchase of Fixed Assets)	(1,304.98)	(1,400.79)
Sale of Fixed Assets	124.10	84.57
Loans given (-) / Refund received (+)	(44.08)	4.12
Purchase of Investments (Including Share Application Money)	(28.50)	(30.80)
Sale of Investments	101.07	128.95
Capital Subsidy	79.34	-
Interest/Dividend received	15.75	24.76
Net Cash Flow from Investing Activities B	(1,057.30)	(1,189.19)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

(Amount in Rs. Lacs)

	31.03.2010	31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	465.30	208.52
Interest paid	(215.56)	(235.41)
Dividend paid	(0.05)	(2.33)
Corporate Tax on Dividend Paid	-	-
Net Cash Flow from Financing Activities	C	(29.22)
Net Increase /(Decrease) In Cash & Cash Equivalents	(A+B+C)	244.59
Opening Cash & Cash Equivalents	489.05	244.46
Closing Cash & Cash Equivalents	275.90	489.05
Balance Increase/(Decrease) in Cash & Cash Equivalents	(213.15)	244.59

Notes : i) Previous year's figures have been re-grouped/re-arranged wherever necessary.

ii) The above Cash Flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Companies (Accounting Standards) Rules, 2006.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjunwala

Executive Chairman

Rajiv Jhunjunwala

Vice- Chairman

S. L. Agrawal
Company Secretary

P. K. Singhi

P. K. Sarkar

P. J. Sheth

A. K. Shraff

Directors

INFORMATION IN AGGREGATE FOR SUBSIDIARIES PURSUANT TO EXEMPTION ORDER NO. 47/21/2010-CL-III DT 05.04.2010 OF MINISTRY OF COMPANY AFFAIRS.

Particulars	Tanushree Silks Ltd.	Spin International Inc.		OOO JJ Homes		J. J. Creations S.A.	
	(Rs.)	US\$	(Rs.)	Rouble	(Rs.)	EURO	(Rs.)
1. Capital	1,800,000	1,000	45,090	10,000	15,200	61,500	3,690,000
2. Reserves	(2,796,245)	742,504	33,479,505	(2,393,631)	(3,638,319)	13,777	826,620
3. Total Assets	1,102,914	1,169,210	52,719,679	9,915,606	15,071,721	192,937	11,576,220
4. Total Liabilities (Excluding Capital & Reserves)	2,099,159	425,706	19,195,084	12,299,237	18,694,840	117,660	7,059,600
5. Details of Investment (Except in case of Investment in Subsidiaries)	-	-	-	-	-	-	-
6. Turnover	97,164	4,126,461	197,492,423	11,521,146	17,396,930	247,326	15,705,201
7. Profit before Taxation	(990,896)	105,521	4,757,942	1,920,606	2,919,321	21,747	1,304,820
8. Provision for Taxation							
(a) Income Tax (Net)	-	36,612	1,650,835	198,743	302,089	145	8,700
(b) Fringe Benefit Tax	-	-	-	-	-	-	-
9. Profit after Taxation	(990,896)	68,909	3,107,107	1,721,863	2,617,232	21,602	1,296,120
10. Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note : (1) Assets & Liabilities in Foreign Currencies have been converted to INR at the exchange rate prevailing on 31st March, 2010 at US\$ = INR 45.09; EURO = INR 60.00; RBL\$ = INR 1.52

(2) Income & Expenditure in Foreign Currencies have been converted to INR at the Average Exchange Rate for the Financial Year 2009-10 at US\$ = INR 47.86; EURO = INR 66.99; RBL = INR 1.51

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjhunwala

Executive Chairman

Rajiv Jhunjhunwala

Vice-Chairman

S. L. Agrawal

Company Secretary

P. K. Singhi

P. K. Sarkar

P. J. Sheth

A. K. Shraff

Directors



CONSOLIDATED AUDITORS' REPORT

To the Board of Directors of J. J. Exporters Ltd. on the Consolidated Financial Statements of J. J. Exporters Limited and its Subsidiaries

We have examined the attached Consolidated Balance Sheet of **J. J. Exporters Ltd.** and its subsidiaries as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date.

These Consolidated financial statements are the responsibility of the J. J. Exporters Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the 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 prepared, in all material respects, in accordance with and in an identified financial reporting frame work and 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of Indian Subsidiary whose financial statements reflects Total Assets of Rs. 1,102,914/- as at 31st March, 2010 and Total Revenue of Rs. 97,164/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors.

We also did not audit the financial statements of foreign subsidiaries for year ended 31st March, 2010, whose financial statements reflects total assets Rs. 72,911,780/- as at 31st March, 2010 and total revenue of Rs. 256,654,916/- for the year ended 31st March, 2010. These financial statements have been compiled by other auditors, certified by the management, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditors certified by management.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with requirements of Accounting Standard 21 - Consolidated Financial Statements, as notified in Company (Accounting Standard) Rules, 2006 and on the basis of the separate audited financial statements of J. J. Exporters Limited and its subsidiaries included in the Consolidated Financial Statements.

On the basis of information and explanation given to us, we draw further attention to Note No. 24 of Schedule "0" regarding accounting of certain derivative transactions in view of legal advice, we are of opinion that :

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of J. J. Exporters Limited and its subsidiaries as at 31st March, 2010.
- (b) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operation of J. J. Exporters Limited its subsidiaries for the year then ended.
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of J. J. Exporters Limited and its subsidiaries for the year ended on that date.

7, Chittaranjan Avenue
Kolkata - 700 072
Dated : 26th day of May, 2010

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
Firm Registration No. 302111E
Anand Prakash
Partner
Membership No. 56485

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	Schedule	As at 31.03.2010		As at 31.03.2009	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	A	92,622,500		92,622,500	
b) Reserves & Surplus	B	521,599,377	614,221,877	510,216,821	602,839,321
2. Minority Interest			599,910		402,139
3. Loan Funds					
Secured Loans	C		568,293,810		521,763,816
TOTAL		1,183,115,597		1,125,005,276	
II. APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	D	1,368,379,080		1,140,166,043	
Less : Depreciation		730,485,691		700,679,250	
Net Block		637,893,389		439,486,793	
Capital Work-in-Progress		3,937,938	641,831,327	110,770,130	550,256,923
2. Investments	E		89,260,346		91,917,704
3. Current Assets, Loans and Advances					
Current Assets	F				
(a) Inventories		279,987,376		296,049,418	
(b) Sundry Debtors		101,396,190		113,549,954	
(c) Cash & Bank Balances		36,966,459		55,939,893	
(d) Other Current Assets		7,463,176		9,387,564	
Loans and Advances	G	162,800,041		155,458,967	
		588,613,242		630,385,796	
4. Less : Current Liabilities and Provisions	H				
(a) Current Liabilities		75,673,462		86,481,735	
(b) Provisions		60,915,856		61,073,412	
		136,589,318		147,555,147	
Net Current Assets			452,023,924		482,830,649
TOTAL		1,183,115,597		1,125,005,276	

Notes to the Accounts & Accounting Policies O

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
Anand Prakash
Partner
Membership No. 56485
Kolkata, 26th May, 2010

S. L. Agrawal
Company Secretary

For and on behalf of the Board
S. N. Jhunjunwala **Rajiv Jhunjunwala**
Executive Chairman Vice-Chairman

P. K. Singhi
P. K. Sarkar Directors
P. J. Sheth
A. K. Shraff

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Amount in Rupees)

Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME		
Sales I	663,411,372	744,439,580
Other Income J	26,908,798	10,975,536
TOTAL	690,320,170	755,415,116
EXPENDITURE		
Raw Material Consumed K1	230,030,183	282,711,121
Finished Goods Purchases	35,650,907	62,306,050
(Increase)/Decrease in Stock K2	43,764,683	18,101,350
Manufacturing Expenses L	69,143,766	83,509,283
Personnel Expenses M	118,954,073	127,059,015
Administration & Selling Expenses N	129,349,028	147,898,847
TOTAL	626,892,640	721,585,666
Operating Profit/(Loss)	63,427,530	33,829,450
Interest	22,173,278	25,143,537
Profit/(Loss) before Depreciation	41,254,252	8,685,913
Depreciation	34,905,666	44,565,695
Prior Period Items	316,000	3,788,509
Profit/(Loss) after Depreciation	6,032,586	(39,668,291)
Fringe Benefit Tax	-	1,293,800
Provision for Taxation	1,961,624	2,999,719
Profit/(Loss) after Tax	4,070,962	(43,961,810)
Less : Minority Interest (Net of Tax)	271,168	(53,687)
Profit/(Loss) after Tax & Minority Interest	3,799,794	(43,908,123)
Less : Goodwill on consolidation written off	111,249	-
	3,688,545	(43,908,123)
Add : Brought forward Profit	115,792,855	159,670,978
I-Tax for earlier years	-	30,000
Profit available for Appropriation	119,481,400	115,792,855
Balance carried to Balance Sheet	119,481,400	115,792,855
Basic/Diluted Earning Per Share	0.40	(4.74)

Notes to the Accounts & Accounting Policies O

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjunwala

Executive Chairman

Rajiv Jhunjunwala

Vice-Chairman

S. L. Agrawal
Company Secretary**P. K. Singhi****P. K. Sarkar****P. J. Sheth****A. K. Shraff**

Directors

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

		As at 31.03.2010	As at 31.03.2009
SCHEDULE "A"	SHARE CAPITAL		
Authorised			
10,000,000	(10,000,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-up			
1,257,500	(1,257,500) Equity Shares of Rs. 10/- each fully paid-up in cash	12,575,000	12,575,000
42,500	(42,500) Equity Shares of Rs. 10/- each allotted as fully paid-up, pursuant to contract without payment being received in cash	425,000	425,000
5,876,000	(5,876,000) Equity Shares of Rs. 10/- each allotted as fully paid-up Bonus Shares by way of Capitalisation of Reserves	58,760,000	58,760,000
2,086,250	(2,086,250) Equity Shares of Rs. 10/- each allotted as fully paid pursuant to Scheme of Amalgamation	20,862,500	20,862,500
		92,622,500	92,622,500
SCHEDULE "B"	RESERVES & SURPLUS		
Share Premium Account			
	As per last Balance Sheet	48,203,900	48,203,900
Capital Reserve			
	As per last Balance Sheet	1,580,077	1,580,077
	Capital subsidy received from WBIDC	7,934,000	-
	Foreign Currency Reserve on Consolidation	-	239,989
General Reserve			
	As per last Balance Sheet	344,400,000	344,400,000
Profit & Loss Account			
	Credit balance as per account annexed	119,481,400	115,792,855
		521,599,377	510,216,821
SCHEDULE "C"	SECURED LOANS		
Term Loan			
	In Indian Rupee :		
	- From Bank	325,400,000	266,900,000
Working Capital Loan from Banks			
	In Foreign Currencies	226,623,424	226,163,272
	In Indian Rupees	16,270,386	28,700,544
		568,293,810	521,763,816

Note : For security clause refer Note no. 5 of Schedule "O"



SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "D"	FIXED ASSETS				GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Particulars	As on 01.04.2009	Additions during the year	Sales/(Adj.) during the year	Total as on 31.03.2010	Upto 31.03.2009	During the year	Adjustment on Sales	Total as on 31.03.2010	As on 31.03.2010	As on 31.03.2009	
Freehold Land	31,162,926	-	-	31,162,926	-	-	-	-	-	31,162,926	31,162,926	
Leasehold Land	3,732,737	-	-	3,732,737	161,463	12,213	-	173,676	3,559,061	3,571,274		
Buildings & Structures	243,492,513	182,980,336	4,008,636	422,464,213	72,626,245	10,577,839	1,365,217	81,838,867	340,625,346	170,866,268		
Leasehold Shed	539,732	-	-	539,732	539,732	-	-	539,732	-	-		
Plant & Machineries	767,702,043	8,738,069	1,445,483	774,994,629	568,930,724	17,072,581	977,591	585,025,714	189,968,915	198,771,319		
Office Equipments	5,693,017	332,867	227,219	5,798,665	3,063,571	344,038	134,088	3,273,521	2,525,144	2,629,446		
Electronic Data Processing Machines	29,936,064	5,946,074	(1,057)	35,883,195	23,588,616	2,347,189	(2,275)	25,938,080	9,945,115	6,347,448		
Electrical Installations	16,946,015	23,269,915	-	40,215,930	6,166,574	1,368,266	-	7,534,840	32,681,090	10,779,441		
Air-Conditioners	2,486,169	1,765,755	307,200	3,944,724	1,122,418	200,927	277,123	1,046,222	2,898,502	1,363,751		
Fire Fighting Equipments	671,855	-	-	671,855	270,478	39,754	-	310,232	361,623	401,377		
Furniture & Fittings	25,061,640	11,386,190	87,966	36,359,864	15,814,049	1,800,513	-	17,614,562	18,745,302	9,247,591		
Motor Cars	11,445,860	2,885,366	3,041,232	11,289,994	7,548,374	1,062,022	2,347,481	6,262,915	5,027,079	3,897,486		
Motor Van	506,759	-	-	506,759	259,891	43,928	-	303,819	202,940	246,868		
Scoter & Cycles	433,702	-	-	433,702	342,624	21,644	-	364,268	69,434	91,078		
Weighing Scales	355,011	25,144	-	380,155	244,491	14,752	-	259,243	120,912	110,520		
Total	1,140,166,043	237,329,716	9,116,679	1,368,379,080	700,679,250	34,905,666	5,099,225	730,485,691	637,893,389	439,486,793		
Previous year's total	1,121,976,095	29,843,485	11,653,537	1,140,166,043	662,484,441	44,565,695	6,370,886	700,679,250	439,486,793			
Capital Work-in-Progress	110,770,130	2,148,148	108,980,340	3,937,938	-	-	-	-	3,937,938	110,770,130		
Total	1,250,936,173	239,477,864	118,097,019	1,372,317,018	700,679,250	34,905,666	5,099,225	730,485,691	641,831,327	550,256,923		

* Includes Rs. 366,381/- for Leasehold Land, which is being depreciated over the period of lease and Depreciation includes Rs. 147,491/- (NIL) for Impairment of Building of a subsidiary.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

SCHEDULE "E"		INVESTMENT : (AT COST)							
Particulars	Face Value	AS AT 01.04.2009		ADDITIONS (COST)		DEDUCTIONS (COST)		AS AT 31.03.2010	
		No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
A) Long Term :									
i) Unquoted									
- Ballygunge Services Pvt. Ltd.	10	1,000	10,000					1,000	10,000
ii) Equity Shares (quoted)									
- J. J. Exporters Ltd. (Held by J. J. Exporters Beneficiary Trust)	10	1,303,675	81,100,278					1,303,675	81,100,278
- ABG Infralogistics Limited	10	16,250	5,696,609			7,620	1,473,103	8,630	4,223,506
- ABG Shipyard Limited	10	5,000	2,832,921					5,000	2,832,921
B) Short Term :									
i) Investment in Govt. Securities (non - trade)									
Unquoted									
- National Savings Certificates			12,350						12,350
- Indira Vikas Patra			200						200
ii) Other Securities (non - trade)									
- Adlabs Film Ltd. *	10	1,000	1,124,558			1,000	1,124,558	-	-
- Reliance Media World Ltd. *	5			1,000	562,279			1,000	562,279
- Reliance Media Works Ltd. *	5			1,000	562,279	1,000	562,279	-	-
- Jindal South West Holdings Ltd.	10	1,000	2,589,895			1,000	2,589,895	-	-
- Jay Prakash Hydro Ltd.	10	8,000	1,098,590			8,000	1,098,590	-	-
- N M D C Ltd.	10	3,500	1,275,295			3,500	1,275,295	-	-
- Usha Martin Ltd. (After Split)	1	38,751	2,834,197	2,000	154,821	38,286	2,816,953	2,465	172,065
- R. S. Software India Ltd.	10			20,873	919,670	12,873	530,973	8,000	388,697
- Reliance Power Ltd.	10			1,100	163,626			1,100	163,626
- Mount Everest Ltd.	10			5,500	404,134			5,500	404,134
Less : Provision for fall in value of short term investment			(6,657,189)						(609,710)
			91,917,704						89,260,346

*Note : Adlabs Film Ltd. demerged to Reliance Media World Ltd. & Reliance Media Works Ltd.



SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009		
	Cost	Market value	Cost	Market value	
Aggregate Value of Quoted Investment	89,847,506	35,065,370	98,552,343	23,812,003	
Aggregate Value of Un-quoted Investment	22,550		3,380,329		
Equity Share Purchased and Sold during the year :					
Particulars	Face Value	As at 31.03.2010		As at 31.03.2009	
		No. of Share	Cost	No. of Share	Cost
N T P C Ltd.	10	1,000	227,757	-	-
R. S. Software India Ltd.	10	12,873	530,972	-	-
Reliance Media Works Ltd.	5	1,000	289,935	-	-
Birla Corporation Ltd.	10	500	159,901	-	-
Bharat Heavy Electricals Ltd.	10	-	-	500	822,839
Larsen & Toubro Ltd.	10	-	-	500	1,265,155

SCHEDULE "F" CURRENT ASSETS	As at 31.03.2010		As at 31.03.2009	
	Inventories (As taken & certified by the Management)			
Raw Materials	81,735,444		55,001,870	
Finished Goods	119,600,115		151,676,062	
Semi-Finished Goods	64,060,619		75,738,510	
Packing Materials	312,760		310,222	
Stores	14,278,438	279,987,376	13,322,754	296,049,418
Sundry Debtors (Unsecured, Considered Good)				
Debt outstanding for a period exceeding six months	2,049,674		8,839,152	
Other Debts	99,346,516	101,396,190	104,710,802	113,549,954
Cash and Bank Balances				
Cash-in-Hand [including Foreign Exchange-in-Hand Rs. 149,897/- (Rs. 88,501/-) & Cheque-in-Hand Rs. 1,478/- (Rs. 200/-)]	9,671,934		7,731,016	
Balance with Scheduled Banks :				
- In Current Account	10,675,964		29,975,651	
- In Fixed Deposit Account (under lien - Rs. 11,151,073/- (Rs. 11,473,384/-))	14,401,073		14,296,130	
- In Unpaid Dividend Account	847,540		868,680	
- In Foreign Currency Account	1,369,948	36,966,459	3,068,416	55,939,893
Other Assets				
Interest Accrued	1,712,827		1,691,874	
Duty Draw-Back Receivable	336,348		918,394	
TUFS Subsidy Receivable	4,938,331		6,175,289	
DEPB Entitlements Receivable	475,670	7,463,176	602,007	9,387,564
		425,813,201		474,926,829

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE "G" LOANS & ADVANCES				
Loans (Unsecured, Considered good)				
To Others	1,000,000		1,810,425	
Advances (Considered Good) (Recoverable in Cash or in kind or for value to be received) [excluding Rs. 571,482/- (Rs. 571,482/-) considered doubtful & fully provided]	27,671,322		19,772,728	
Advances against Capital Goods (Excluding Rs. 840,000/- considered doubtful & fully provided)	12,749,399		11,635,594	
Security Deposits	3,892,033		5,589,668	
Prepaid Expenses	5,244,969		2,763,915	
Advance Fringe Benefit Tax	2,649,660		2,723,844	
Advance Income Tax/Wealth Tax	70,266,207		71,836,342	
Claims Receivable	35,772,526		35,772,526	
Income Tax Refund Receivable	3,553,925	161,800,041	3,553,925	153,648,542
	162,800,041		155,458,967	

SCHEDULE "H" CURRENT LIABILITIES & PROVISIONS				
A) Current Liabilities				
Sundry Creditors :				
- Micro, Small and Medium Enterprise	-		-	
- Others	66,240,412		75,988,378	
- Other Liabilities	5,293,774		5,191,201	
- Advance from Customers	3,307,169		4,464,849	
Unclaimed Dividend *	832,107	75,673,462	837,307	86,481,735
B) Provisions				
For Taxation	60,915,856		61,036,409	
For Gratuity	-	60,915,856	37,003	61,073,412
	136,589,318		147,555,147	

* There is no amount due and outstanding as at Balance Sheet date to be credited to Investor's Education and Protection Fund.



SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

		For the year ended 31.03.2010	For the year ended 31.03.2009
SCHEDULE "I"	SALES		
Sales - Net of Returns		635,964,596	753,621,825
Exports Incentives			
Duty Exemption Pass-Book Entitlements		371,538	580,868
Duty Draw-Back		4,185,137	6,860,195
Target Plus Licence Utilized		3,449,391	-
Foreign Exchange Rate Fluctuation Gain (Net)		19,440,710	(16,623,308)
		663,411,372	744,439,580

SCHEDULE "J"	OTHER INCOME		
Dividend on Long-term Investments		65,000	172,500
Dividend on Short-term Investments		35,064	197,533
Interest Gross [TDS Rs. 155,588/- (Rs. 407,463/-)]		1,479,072	2,136,992
Provision for fall in investment written back		6,047,479	-
Rent Received [TDS Rs. 32,553/- (TDS Rs. 115,137/-)]		177,242	419,750
Profit on Sale of Fixed Assets		8,488,758	4,291,049
Miscellaneous irrecoverable Balance written off		-	226,484
Miscellaneous Receipts & Adjustments (Net)		10,616,183	3,531,228
		26,908,798	10,975,536

SCHEDULE "K1"	RAW MATERIALS CONSUMED		
Raw Material			
Opening Stock		55,001,870	96,088,091
Add : Purchase		262,159,581	317,161,451
Less : Sales of Process Rejects		5,411,024	2,576,594
Less : Closing Stock		81,720,244	87,131,268
		230,030,183	282,711,121

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

	For the year ended 31.03.2010		For the year ended 31.03.2009	
SCHEDULE "K2" (INCREASE)/DECREASE IN STOCKS				
Closing Stock				
Work-in-Progress & Semi-processed Yarn	64,060,619		75,738,510	
Finished Goods	119,600,115	183,660,734	151,676,062	227,414,572
Opening Stock				
Work-in-Progress & Semi-processed Yarn	75,738,510		98,786,825	
Finished Goods	151,686,907	227,425,417	146,729,097	245,515,922
	43,764,683		18,101,350	

SCHEDULE "L" MANUFACTURING EXPENSES				
Stitching, Embroidery & Designing Charges	13,605,760		14,199,125	
Weaving, Dyeing, Printing & Processing Expenses	7,831,835		15,719,005	
Stores Consumed	10,158,970		12,402,949	
Power & Fuel	35,704,707		39,237,126	
Carriage Inward	1,842,494		1,951,078	
	69,143,766		83,509,283	

SCHEDULE "M" PERSONNEL EXPENSES				
Salary	59,090,474		59,336,716	
Wages	25,955,755		29,723,534	
Allowances	12,233,603		12,235,571	
Bonus & Exgratia	6,930,913		5,855,764	
Staff Welfare	4,061,430		3,876,744	
Gratuity	498,510		3,037,087	
Contribution to Provident Fund and Other Funds	9,845,747		11,069,058	
Provision for Leave - Pay	337,641		1,924,541	
	118,954,073		127,059,015	



SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

		For the year ended 31.03.2010		For the year ended 31.03.2009	
SCHEDULE "N"	ADMINISTRATION & SELLING EXPENSES				
Rent		5,539,493		7,913,354	
Rates & Taxes		1,665,406		1,404,712	
Printing & Stationery		2,764,721		2,428,124	
Postage, Telegrams, Telephone & Telex		6,917,597		6,075,576	
Service Charges		3,936,552		2,043,256	
Vehicles Maintenance		1,695,474		1,792,777	
Insurance Premium (Net)		1,398,045		1,749,396	
Sales Tax/Turnover Tax		-		45,368	
Bank Charges		5,067,966		4,372,654	
Director's Remuneration		4,433,220		4,658,432	
Director's Meeting Fees		350,000		550,000	
Auditor's Remuneration :					
As Audit fees	673,990			684,243	
For Tax Audit Fees	90,000			101,180	
For Taxation	378,006			186,003	
For Certification	212,681			367,979	
For Reimbursement of Travelling Expenses	116,748	1,471,425		79,195	1,418,600
Repairs & Maintenance :					
To Building	2,317,755			1,274,411	
To Machinery	5,150,224			4,300,073	
To Others	2,191,513	9,659,492		1,986,272	7,560,756
Loss on Sale of Investment		1,448,700		1,474,211	
Sundry Expenses [(Including for earlier years Rs. NIL) (Rs. 1,304,803/-)]		19,777,254		26,905,543	
Provision for diminution in value of investment		-		3,100,736	
Charity and Donations		53,910		541,771	
Travelling Expenses :					
Foreign Travelling	9,564,961			11,542,811	
Inland Travelling	3,240,027	12,804,988		3,266,916	14,809,727
Conveyance		3,116,481		1,096,661	
Trade Fair Expenses (Net)		1,013,226		2,779,136	
Advertisement		775,557		379,563	
Sample Expenses (Net)		7,463,502		8,105,246	
Packing Expenses		2,236,094		2,795,721	
Commission & Brokerage		23,164,955		33,094,824	
Freight and Delivery Charges		4,345,803		5,088,170	
Export Credit Guarantee Premium		1,618,735		1,642,662	
Export Promotion Expenses		43,300		115,400	
Export Expenses		1,444,312		862,045	
Rebate and Discounts		4,726,842		1,628,116	
Market Survey Expenses		415,978		1,466,310	
		129,349,028		147,898,847	

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rupees)

SCHEDULE "O" NOTES TO ACCOUNTS & ACCOUNTING POLICIES

1. Subsidiaries

The Consolidated Financial statement present the consolidated account of J. J. Exporters Limited with the following subsidiaries :

Name of the subsidiaries	Country of Incorporation	Percentage of Holding
Tanushree Silks Limited	India	100.00%
Spin International INC	U.S.A.	100.00%
000 JJ Homes	Russia	100.00%
JJ Creations S.A.	Belgium	85.00%

2. Significant Accounting policies and notes to the consolidated Financial Statements are intended to show as means of informative disclosure and a guide to better understanding the consolidated position of the Company. Recognising this purpose, the Company has disclosed only such policies and notes from individual financial statements which fairly present the needed disclosure. Lack of homogeneity and other similar conditions made it desirable to exclude some of them which in the opinion of the Management could be better viewed when referred from Individual Financial Statements.

	31.03.2010	31.03.2009
3. Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances)	–	62,839,541
4. Contingent Liabilities not provided for :		
a) Letters of Credit opened by Bank	1,457,808	–
b) Letters of Guarantee	8,210,190	8,210,190
c) Sales Tax, Income Tax and Stamp Duty Liability pending in appeals for earlier years	31,384,356	31,384,356
d) Case pending in Labour Court	159,200	159,200
e) Provident Fund dues under appeal	105,783	105,783
f) Sales Tax claim under appeal (For this management expects no liability)	121,486,251	–

5. Working Capital facilities with Indian Overseas Bank, City Bank NA and The Federal Bank Ltd. are secured by first charge on Current Assets of the Company on pari-passu basis.

As collateral security, Indian Overseas Bank has a second pari-passu charge on the Plant & Machinery of the Company's Dyeing Unit at Rajajinagar, Bangalore, Land and Building at Rajajinagar and Fixed Assets of J. J. Spectrum Silk.

As collateral security, The Federal Bank Ltd. has a second pari-passu charge on Plant & Machinery at Company's Dyeing Unit at Rajajinagar, Bangalore and Company's Land & Building at Rajajinagar, Bangalore.

Rupee Term Loan with Industrial Development Bank of India Ltd has been secured as follows :

Purpose	Description of Property
Retail showroom	(i) Plant and Machinery of Kolkata EOU on first Charge. (ii) Entire movable and immovable property (excluding current assets) of retail showroom on first charge basis. (iii) Stock of Raw Material, WIP and Finished goods of all units on second charge.
Dodaballabpur	(i) First charge on Land and Building at Dodaballabpur. (ii) First charge on Plant and Machinery of Dyeing Unit at Rajaji Nagar. (iii) First charge on movable and immovable assets (except stock) of J. J. Spectrum Silk. (iv) First charge on movable and immovable assets (excluding stock) of EOU at Kolkata. (v) Second charge on current assets of Dyeing unit.
Kolkata EOU	(i) Whole of movable properties (other than Stock) of the Company situated at Gangarampur, EOU-I, EOU-II and Dyeing unit at Bangalore on first charge. (ii) Land measuring 40,000 sq. feet together with buliding thereon and Plant & Machinery on first charge. (iii) Land measuring 2454.24 sq. yard along with factory building measuring 17920 sq. ft. situated at Rajajinagar on first charge. (iv) Personal guarantee of a Director.



SCHEDULE "O" (Contd.)

6. Disclosures regarding Derivative Instruments

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The use of these foreign exchange contracts reduces the risk or cost to the Company. The Company does not use the foreign exchange contracts for trading or speculation purposes.

Forward exchange contracts outstanding as at the year end :

Currency Pair	Currency	31.03.2010		31.03.2009	
		Buy	Sell	Buy	Sell
USD/INR	INR	-	-	-	163,150,000

This excludes derivative transaction of \$ NIL (\$ 5,850,000) with one bank which has been disputed by the Company.

7. Exchange difference in respect of Forward Exchange Contract to be recognised in Profit & Loss Account is Rs. NIL (Rs. 1,770,466/-).
8. Realisation on account of samples from foreign buyers have been credited to sample expenses account.
9. The Company has not received information from vendors regarding the status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this act have not been given .
10. In respect of the equity shares of erstwhile J. J. Spectrum Silks Ltd. held by the Company, 13,03,675 equity shares which has been issued by the transferee Company in terms of scheme, allotted to the Board of Trustees to have and to hold such shares in Trust exclusively for the benefit of the Transferee Company and deal with the same as they think deems fit.
11. Interest includes Rs. 27,279,071/- (Rs. 24,599,508/-) on term loans.
12. In the opinion of Board of Directors, all the Current Assets, Loan and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
13. As the Company's business activities fall mainly within a single primary business segment viz. dealing in fabrics and accessories, the disclosure requirement of Accounting Standard 17 " Segment Reporting", notified in Companies (Accounting Standard) Rules, 2006, has not been given.
14. Related Party Disclosure in accordance with Accounting Standard 18 notified in the Companies (Accounting Standard) Rules, 2006.

Name of the related party	Relationship	31.03.2010		31.03.2009	
		In Respect of (a) above	In Respect of (b) above	In Respect of (a) above	In Respect of (b) above
a) Key Managerial Personnel i) Sri S. N. Jhunjhunwala ii) Sri Rajiv Jhunjhunwala iii) Mrs. Laxmi Jhunjhunwala iv) Shri Arun Kumar Shraff	Executive Director and Executive-Chairman Executive Director & Vice-Chairman Director Whole Time Director				
b) Relative of Key Managerial Personnel i) Mrs. Neha Jalan, Designing Consultant ii) Mrs. Kavita Jhunjhunwala	Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman Wife of Mr. Rajiv Jhunjhunwala, Vice-Chairman				
Rent paid		-	-	-	-
Remuneration paid		4,433,220	540,000	4,658,432	540,000

15. Earning per share	2009-10	2008-09
i) Net Profit after Tax available for Equity Shareholders	3,799,795	(43,908,123)
ii) Weighted Average Number of Equity Shares of Rs. 10/- each outstanding during the year	9,262,250	9,262,250
iii) Basic/Diluted Earning Per Share	0.41	(4.74)

SCHEDULE "O" (Contd.)

(Amount in Rupees)

16. As a matter of prudence no deferred tax assets has been recognised in the accounts.

17. Wholetime Director's Remuneration	31.03.2010	31.03.2009
a) Salaries	3,874,040	4,077,400
b) Contribution to P. F. and Other Funds	456,600	489,290
c) Other Perquisites	102,580	91,742
Total	4,433,220	4,658,432
18. Balances lying with Central Excise Department included in Loans and Advances Schedule	10,713	27,804

20. Profit and Loss on sale of Investment excludes Rs. 12,019/- (Rs. 13,627/-) on account of security transaction tax paid on such transactions.

21. There is no amount due to be credited to Investor's Education and Protection Fund as on 31.03.2010.

22. Minority Interest consists of the following

i) Share Capital	553,500
ii) Debit Balance of P & L A/c	(215,843)
iii) Profit during the year	262,253

23. Interest on Term Loan is net of Rs. 6,424,773/- (Rs. 7,072,105/-) of TUFs subsidy.

24. Certain Foreign Currency Derivative transactions of the Company with Citi Bank and ICICI Bank have been held contrary to law by a Statutory Authority, hence the company has disputed these transactions with respective Banks and claimed refund of the paid amount Rs. 35,772,526/- under these contracts. Accordingly, accounting entries were effected by the Company during the financial year ended 31.03.2009 for the said amount by showing the same as Claims Receivable from Banks, instead of debiting it to Profit & Loss Account. In view of above, further claims made by these Banks for cancellation of said transactions amounting to Rs. 140,300,175/- (excluding interest) have also neither been accounted for nor acknowledged by the Company.

25. Certain Long Term Investments are strategic in nature and fall in value is temporary in nature, hence it has not been provided in these accounts.

26 Significant Accounting Policies adopted by the Company

a) Basis of Preparation of Financial Statements

The Financial Statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Parent Company i.e. for the year ended 31st March. In case of Foreign Subsidiary, they have got their accounts compiled by their Auditors for the year ended as on 31st March.

The Financial Statement have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the Parent Company and other Indian subsidiaries have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and of the Foreign Subsidiary, have been prepared in accordance with the local laws and the applicable Accounting Standards/Generally accepted Accounting Principles.

b) Principal of Consolidation

i) The Financial Statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealised profits to the extent possible. No impact of intra-group transaction of Fixed Asset has been taken being not significant in nature.

ii) The Financial Statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

iii) The excess of the cost of the Parent Company of its investments in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the Financial Statements as Goodwill/Capital reserve and charged to revenue. However such excess or deficit arising after the acquisition date on account of currency fluctuation in respect of Foreign subsidiary is transferred to Currency Fluctuation reserves or Goodwill. Goodwill arising out of consolidation is written off during the year as a matter of prudence.



SCHEDULE "O" (Contd.)

(Amount in Rupees)

c) Historical Cost Conventions and Revenue Recognition

- i) Financial Statements are drawn using the historical cost convention and adopting accrual basis save and except claims, which are accounted for on settlement/receipt basis in view of uncertainty of realizations.
- ii) Export Sales have been booked on FOB basis on the date of shipment.
- iii) Sale of import/export entitlements received by way of SIL/QUOTA Licenses has been booked as on the date of sale thereof. However, Duty Draw Back and DEPB entitlements are accounted for on accrual basis on eligible amount of exports made and entitlement of target plus scheme has been accounted for on utilisation basis as per the scheme.

d) Fixed Assets and capital expenditure

- a) Fixed Assets are stated at cost which includes installation & other expenditures. Such expenditure comprises purchases price, import duties, levies and any directly attributable cost of bringing the assets to their working conditions and effects of Foreign Currency Fluctuation is being given on loans taken for acquiring the same.
- b) Capitalisation of Construction Period expenses :
Direct Expenses as well as clearly identifiable indirect expenses incurred during construction period have been capitalised directly with respective assets, financing cost and other allocable expenses during the construction period of project have been capitalised proportionately.

e) Depreciation

Depreciation for the year has been provided on written down value method at the rate prescribed in Schedule XIV of the Companies Act, save and except, in case of assets of Units J.J. Spectrum Silk, Kolkata EOU and Spin International INC, subsidiary Company which have been depreciated on S.L.M. basis at the rate prescribed as per applicable laws. Lease hold assets are amortised over the period of lease, wherever applicable. Increase and decrease in the value of assets arising out of exchange fluctuation is charged over the remaining useful life of the assets.

f) Valuation of Inventory

- i) Stock of finished/semi finished goods has been valued at weighted average cost representing costs which has been incurred in bringing the inventory to their present conditions except for damaged and rejected goods which has been valued at estimated realisable value as per continuous practice followed by the Company.
- ii) Raw Materials & Stores has been valued at weighted average cost or net realisable value whichever is lower.
- iii) The inventory resulting from Intra Group transaction have been stated at estimated cost after deducting estimated unrealised Profit on such transactions.

g) Investment

Long term Investments are stated at cost. Provisions of diminution in value is being made other than temporary in nature. Short terms investment are valued at cost or market value whichever is lower.

h) Foreign Currency Transactions

- i) For the purpose of consolidation, the amounts appearing in foreign currencies in the Financial Statements of the Foreign subsidiary is translated at the following rate of exchange :
 - a) Average rate for the Income and expenditure except depreciation which is at the year end rate.
 - b) The year end rate for Assets and Liabilities.
- ii) All foreign currency income and expenses are generally recorded at the exchange rate prevailing on the date of transactions/negotiation with the Company's banker save & except where forward contract has been booked which is being recorded at relevant rate. Premium on forward contract are being accounted for during the life of contract.
- iii) Current Assets and Liabilities in Foreign Currencies have been re-stated at exchange rates prevailing at the year end except in case where forward contract has been booked by the company against these assets/liabilities wherein the same has been converted at contracted rates.
- iv) Foreign Currency retained out of export proceeds in Exchange Earners Foreign Currency Account with banker has been converted at bank advice rate applied for the relevant export bills except in case of collection bills wherein the same has been converted at spot rate prevailing on the date of realisation of the bills.

SCHEDULE "O" (Contd.)

(Amount in Rupees)

- v) Commission to foreign agents is converted at exchange rates prevailing at the time of accounting such liability in company's books.
- vi) The company has approved policy of hedging. Accordingly derivatives contracts are entered into to hedge highly probable sales transactions or firm commitments. As per accounting policies adopted by the company the gain or loss on settlement of the hedge contract is adjusted in sale/purchase as the case may be in the period in which the transaction is accounted for.
- i) Employees Benefit**
- i) Short-term employee benefits including Leave Encashment are recognised as an expense at the undiscounted amount in the Profit and Loss A/c of the year in which the related service is rendered.
- ii) Post Employment benefits and other long term employee benefits.
- Defined Contribution Plans - Company's contribution to Provident Fund and Employee State Insurance are determined under the relevant Schemes and/or statute and charged to revenue.
- Defined Benefit Plans - Company's liability towards Gratuity is actuarially determined at each Balance Sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in revenue. The contribution towards Gratuity is funded with LIC.
- j) Taxation**
- Income Tax expense comprises current tax and deferred tax charge or credit. Deferred tax asset or liability is recognised using substantively enacted tax rates. Deferred Tax Assets/Liabilities are reviewed at each balance sheet date based on development during the year and to reassess realisation/liabilities.
- k) Impairment of Assets**
- Impairment of assets are assessed at Balance Sheet date and if any indicator of impairment exist, the same is assessed and provided for.
- l) Provisions ,Contingent Liabilities & Contingent Assets**
- Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimate of the probable outflow of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only on the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of Notes on Accounts. Contingent Assets are not provided for or disclosed.
- m) Government Grants**
- State Capital Investment Subsidy has been credited to Capital Reserve A/c. on receipt basis.
- n) Borrowing Costs**
- Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as part of cost until the asset is ready for its intended use. A qualifying asset is an asset that necessary require a substantial period of time to get ready for its intended use. After that the borrowing costs are recognised as an expense in the period in which they incurred.

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board

S. N. Jhunjhunwala

Executive Chairman

Rajiv Jhunjhunwala

Vice-Chairman

S. L. Agrawal
Company Secretary**P. K. Singhi****P. K. Sarkar****P. J. Sheth****A. K. Shraff**

Directors

**CONSOLIDATED CASH FLOW STATEMENT** FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs. Lacs)

	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	60.33	(396.68)
Adjustments for :		
Depreciation	349.06	445.66
(Profit)/Loss on Sale of Investments	14.49	14.74
Interest/Dividend received	(15.79)	(25.07)
Interest paid	221.73	251.44
(Profit)/Loss on Sale of Fixed Assets	(84.89)	(42.91)
Provision for fall in the value of Current Investments	(60.47)	31.01
Operating Profit before Working Capital changes	484.46	278.19
Adjustments for :		
Trade & Other Receivables	50.93	629.49
Inventories	164.48	644.31
Trade Payables	(108.40)	72.38
Cash generated from Operations	591.47	1,624.37
Less : Direct Taxes paid (Net)	(4.40)	(102.94)
Net Cash from Operating Activities A	587.07	1521.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work-in-Progress and advance against Purchase of Fixed Assets)	(1,304.98)	(1,401.92)
Sale of Fixed Assets	125.06	95.74
Loans Given (-)/Refund received (+)	(8.10)	-
Purchase of Investments (Including share application money)	(28.51)	(30.80)
Sale of Investments	101.07	128.95
Capital Subsidy Received	79.34	-
Interest/Dividend received	15.79	25.07
Net Cash Flow from Investing Activities B	(1020.33)	(1182.96)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Term Loan taken	-	-
Term Loan repaid	-	-
Proceeds from Bank Borrowings	465.30	208.52
Interest paid	(221.73)	(251.44)
Dividend Paid	(0.05)	(2.33)
Corporate Tax on Dividend paid	-	-
Net Cash Flow from Financing Activities C	243.52	(45.25)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(189.74)	293.22
Opening Cash & Cash Equivalents	559.40	266.18
Add : Upon addition of subsidiaries	-	-
Closing Cash & Cash Equivalents	369.66	559.40
Balance Increase/(Decrease) in Cash & Cash Equivalents	(189.74)	293.22

Notes :

- Cash & Cash Equivalents comprises of :
Cash & Bank Balances as per Balance Sheet (Schedule "F") 369.66 559.40
- Previous year's figures have been re-grouped/re-arranged wherever necessary.
- The above Cash Flow has been prepared under "Indirect method" as prescribed under Accounting Standard 3 notified in Companies (Accounting Standard) Rules, 2006.

As per our report of even date attached hereto

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

Membership No. 56485

Kolkata, 26th May, 2010

For and on behalf of the Board
S. N. Jhunjunwala **Rajiv Jhunjunwala**
Executive Chairman Vice-Chairman**S. L. Agrawal**
Company Secretary**P. K. Singhi**
P. K. Sarkar
P. J. Sheth
A. K. Shraff

Directors



J. J. Exporters Ltd.

Registered Office :

23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019

37th Annual General Meeting - Wednesday, 28th July, 2010
at 4.00 P.M. at Kalakunj Hall, 48, Shakespeare Sarani, Kolkata - 700 017

**ATTENDANCE
SLIP**

DP Id. *	NAME & ADDRESS OF THE REGISTERED SHAREHOLDER
Client Id. *	
Reg. Folio No.	

* Applicable if shares are held in electronic form.

I Certify that I am a registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the 37th Annual General Meeting of the Company at Kalakunj Hall, 48, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, 28th July, 2010.

Member's / Proxy's Signature

Note : Please fill this attendance slip and hand over at the ENTRANCE OF THE HALL

----- (TEAR HERE) -----



J. J. Exporters Ltd.

Registered Office :

23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019

FORM OF PROXY

I/We

of being a member/members

of J. J. Exporters Limited hereby appoint of failing

him/her of

as my/our proxy to attend and vote for me/us on my/our behalf at the 37th Annual General Meeting of the Company to be held on Wednesday, 28th July, 2010 at 4:00 P.M. and at any adjournment thereon.

Signed this day of 2010.

DP Id. *
Client Id. *
Reg. Folio No.

Signature

Affix a Re. 1/- Revenue Stamp
--

* Applicable if shares are held in electronic form.

Note : This form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less that 48 hours before the meeting.

If undelivered, please return to :



J J Exporters Ltd.

23C, Ashutosh Chowdhury Avenue
KCI Plaza, 2nd Floor, Kolkata - 700 019, India
Phone : +91 33 2461 4775, Fax : +91 33 2461 4780
Email : jjemail@vsnl.com, Website : www.jjexporters.com