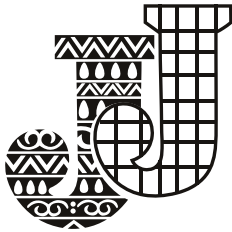




J J Exporters Limited

Annual Report 2011-12



BOARD OF DIRECTORS

Mr. S. N. Jhunjhunwala

Executive Chairman

Mr. Rajiv Jhunjhunwala

Vice-Chairman

Mrs. Laxmi Jhunjhunwala

Director

Mr. P. K. Singhi

Director

Mr. M. L. Gulrajani

Director

Mr. P. J. Sheth

Director

Mr. P. K. Sarkar

Director

Mr. Arvind Kumar Thakur

Wholetime Director & CFO

COMPANY SECRETARY

Mr. S. L. Agrawal

BANKERS

Indian Overseas Bank

The Federal Bank Ltd.

IDBI Bank Ltd.

AUDITORS

- 1. Statutory**
Salarpuria Jajodia & Co.
Chartered Accountants
7, Chittaranjan Avenue
Kolkata - 700 072
- 2. Internal**
A. Singhi & Co.
Chartered Accountants
27/9, Waterloo Street,
2nd Floor,
Kolkata-700 069
- 3. Cost**
Mani & Co.
111, Southern Avenue
Kolkata - 700 029

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

1 st 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 SHOWROOM

Onset

51/2, Hindustan Park,

Kolkata - 700 029

Phone : (033) 2419 6860/61

ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Thirty-Ninth Annual General Meeting** of the Members of **J. J. EXPORTERS LIMITED** will be held at Kala Kunj, 48 Shakespeare Sarani, Kolkata - 700 017 on Tuesday, the 14th day of August, 2012 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, 2012, 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. M. L. Gulrajani 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 re-appoint M/s. Salarpuria Jajodia & Co., Chartered Accountants, Retiring Auditors, as Auditors of the Company 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 pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Article No.104 of the Articles of Association of the Company that consent of the Company be and is hereby accorded to the appointment of Mr. Arvind Kr. Thakur as a Whole Time Director, designated as Whole Time Director & CFO of the Company for a period of five years with effect from 01.11.2011 at the following remuneration :

i)	Basic salary	Rs. 75,000/- per month.
ii)	House rent allowance	Rs. 30,000/- per month.
iii)	Helper allowance	Rs. 7,750/- per month.
iv)	Conveyance allowance	Rs. 800/- per month.
v)	Books and periodicals allowance	Rs. 1,000/- per month.
vi)	Children education allowance	Rs. 200/- per month.
vii)	Medical reimbursement	Rs. 15,000/- per annum.
viii)	Annual increment	Rs. 7,500/- p.m. or such amount as may be decided by the Board of Directors, effective 1st April every year.
ix)	Contribution to provident fund	Contribution to provident fund @12% of salary or at such rate as may be permitted by the Provident Fund Act.

“Resolved further that Mr. Arvind Kr. Thakur shall be paid above remuneration as minimum remuneration in case of loss or inadequacy of profit in any financial year.”

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 21st May, 2012

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 7th August, 2012 to 10th August, 2012 (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 2005 to 2008.
7. Mr. M. L. Gulrajani and Mr. P. K. Sarkar retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Mr. Arvind Kr. Thakur was appointed as Whole Time Director, designated as Whole Time Director & CFO respectively during the year. 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 special business is annexed to the notice.

ANNEXURE TO NOTICE

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

Item No. 5

Mr. Arvind Kumar Thakur had joined the Company as Finance Controller w.e.f.15.01.2011. He was promoted as CFO w.e.f. 14th June, 2011. Mr. Thakur is a Chartered Accountant and has about 15 years of experience in Finance and Accounts. In order to broad base the Board, the Directors of the Company at their meeting held on 1st November, 2011, on the recommendation of the Remuneration Committee and also pursuant to the provisions of Sec.198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, Article No.104 of the Articles of Association of the Company and subject to the approval of the shareholders in a general meeting, decided to appoint Mr. Arvind Thakur as a Whole Time Director designated as Whole Time Director & CFO as per the terms set out in the resolution.

The main terms and conditions of the appointment and remuneration of Mr. A. Thakur are available for inspection of the members at the Registered Office of the company during business hours on all working days up to the date of Annual General Meeting.

The appointment of Mr. Arvind Kumar Thakur as Whole Time Director requires the approval of the members of the Company in the general meeting pursuant to Section 269 of the Companies Act. The Directors, therefore, recommend the above resolution for the approval of the members.

None of the Director except Mr. Thakur himself is interested in the above resolution.

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 21st May, 2012

By Order of the Board

S. L. Agrawal
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty-Ninth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

	2011-12	2010-11
Profit before Tax, Depreciation and Exceptional Items	(705.92)	63.77
Less : Depreciation	526.98	572.42
Profit/(Loss) before Tax and Exceptional items	(1232.90)	(508.65)
Less : Provision for Taxation	0.30	0.50
I.T. for earlier year	2.90	—
Prior Period Items	0.45	9.49
Profit/(Loss) before Exceptional Items	(1236.55)	(518.64)
Exceptional Items	275.48	357.72
Profit/(Loss) after Tax	(1512.03)	(876.36)
Add : Balance brought forward from Previous year	75.49	951.85
Balance in Profit & Loss Account	(1436.54)	75.49

BUSINESS AND PERFORMANCE

Although the operating revenue is marginally down at Rs. 6163.37 lacs during the year as compared to Rs. 6479.74 lacs during the previous year, your Company incurred a loss of Rs. 705.92 lacs before tax, depreciation and exceptional Items as compared to a profit of Rs. 63.77 lacs during the previous year. Volatile exchange rate movement, financial crisis in foreign countries mainly in Europe and lower demand for Company's product in foreign countries were main reason for poor financial performance of the company during the year. The net loss after depreciation and tax was up at Rs.1512.03 lacs as compared to Rs. 876.36 lacs in the previous year.

CURRENT YEAR'S OUTLOOK

Although your Directors are making all round efforts to improve the working of your Company, the actual performance would depend on many external factors like movement of exchange rate for Indian Rupee vis-à-vis various foreign currencies, the revival of global economy and improvement in the demand for your Company's product in the foreign countries. Your Directors have taken various measures viz. sale of idle properties and prepaying high cost debt to reduce the interest burden, exploring domestic market, trying various new products, cost reduction exercise on continuous basis etc. to improve the performance.

OVERSEAS SUBSIDIARIES AND JOINT VENTURE

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

RETAIL SHOWROOM

The performance of Company's retail showroom 'ONSET' at Kolkata was by and large satisfactory during the year.

DIVIDEND

Owing to loss, your Directors do not recommend any dividend for the year.

FOREIGN EXCHANGE

The Company entered into an out of court settlement with one of the bank in respect of their claim against derivative transactions entered into by the Company during the financial year 2007-08. The amount paid in term of the settlement is included in exceptional item. Claim in respect of the other bank amounting to Rs. 785.73 lacs remains unprovided.

SUSPENSION OF WORK

Due to industrial relation problem, the management of your Company had to declare suspension of work at its unit at Gangarampur, Dist 24 Parganas (S), West Bengal w.e.f. 8th April, 2012. Although your company is making all efforts to meet the delivery schedule of important customers, it is likely to have an impact on the financial performance of the company in the current year.

DIRECTORS

Mr. Arun Kumar Shraff resigned from the Board of the Company during the year w.e.f. 07.10.2011. Mr. Arvind Kumar Thakur was appointed as an Additional Director during the year by the Board at its meeting held on 01.11.2011. Mr. Thakur will hold office upto the date of the forthcoming Annual General Meeting. Mr. Thakur was also appointed as a Whole Time Director during the year.

Mr. M. L. Gulrajani and Mr. P. K. Sarkar, Directors, retire by rotation and being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting.

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, if any;
- ii) Having 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 at the end of the Financial Year as at 31st March, 2012 and of the loss for the year ended on that date;
- iii) That 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, if any, has been taken;
- iv) That the Annual Accounts has been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

Your Company has consistently been complying with the Corporate Governance Code prescribed by SEBI and a detailed report on Corporate Governance together with a Certificate of Compliance from the Statutory Auditors, as required by Clause 49 of the Listing Agreement, forms a part of this Annual Report.

AUDITORS

M/s. Salarpuria Jajodia & Co., Chartered Accountants, Kolkata, bearing Registration No. 302111E, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to be re-appointed. They have confirmed that their re-appointment, if made, would be covered within the ceiling specified under 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 earnings and outgo :

The information is contained in Item No.14 of Schedule No.Rs.23' in notes on accounts.

INVESTMENTS

The details of investments are given in Schedule '8' 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. Spin International INC., OOO JJ Home and J. J. Creations S.A. are annexed herewith.

The Government of India vide Circular No. 2/2011 dt.08.02.2011 has granted general exemption to companies from annexing the accounts of its subsidiary companies subject to fulfillment of certain conditions. 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. The Company is currently exploring the possibility of exporting various kinds of blended fabrics.
- B) **Opportunities & Threats** : The Company's product is largely dependent on consumer spending. The Company has a loyal customer base and is 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 minimise cost through infusion of latest technology and cost reduction exercise.
- C) **Segmentwise Performance** : The Company has only single product namely Textiles.
- D) **Outlook** : The outlook of global economy does not appear to be very positive at the moment. More and more countries are coming under the impact of global slow down and economic crisis.
- E) **Risk & Concern** : Silk fabrics being a luxury item carry significant risk linked to consumer confidence and spending pattern. Any 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 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. However, during the current year, there has been some industrial relation problem at its unit at Gangarampur, West Bengal. The management had to declare suspension of work at this unit since 8th April, 2012.

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 within which the Company conducts its business and other incidental factors.

ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation for the continued assistance and co-operation extended to the Company by its customers, investors, bankers, government agencies and its dedicated band of employees.

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 21st May, 2012

By Order of the Board

S. N. Jhunjhunwala
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

A. Power and Fuel Consumption

1. Electricity

	For the Year Ended 31.03.2012	For the Year Ended <u>31.03.2011</u>
a) Unit Purchased (KWH)	2,972,352	3,996,117
Total Amount (Rs.)	18,989,140	22,517,386
Rate/Unit (Rs.)	6.39	5.63
b) Own Generation through Diesel Generator		
Units (KWH)	46,468	105,527
Unit per litre of Diesel Oil	2.05	2.15
Total Amount (Rs.)	907,070	1,890,611
Cost/Unit (Rs.)	19.52	17.92

2. Furnace Oil

Quantity (KL)	501	520
Total Amount (Rs.)	14,262,565	14,501,149
Average Rate (Rs.)	28,468	27,887

3. Steam Coal

Quantity (Kg)	53,878	48,388
Total Amount (Rs.)	277,766	176,205
Average Rate (Rs.)	5.16	3.64

B. Consumption per Mtr of production

Product : Natural Silk Fabrics

Electricity (KWH)	5.19	4.47
Furnace Oil (Ltr.)	0.87	0.58
Steam Coal (Kg.)	0.09	0.06

Consumption per Pcs of production

Product : Made-up

Electricity (KWH)	0.80	1.94
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- C. 1. Energy Conservation Measures taken :
- Steam leakages in the steam distribution network are monitored on continuous basis for early detection and rectification.
 - Fuel consumption of boiler is monitored and optimised by way of daily and schedule maintenance. Fuel gas analysis is carried out periodically to ascertain performance of oil burner assembly.
 - Non-essential consumers in the utility/service section are normally kept out of operation during high tariff period, to cut down energy cost.
 - Radio frequency dryer for drying of dyed hank has been introduced primarily for better and uniform drying which has also contributed to energy saving.
 - Use of imported twisted yarn has reduced the electrical load of twisting/up-twisting section.
 - 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) TDS Stabilisation 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
Technology Imported : N.A.
Year of Import : N.A.
Status of absorption : N.A.

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

Name of The Subsidiary	Spin International Inc	OOO JJ Homes	JJ Creation S.A.
The Financial Year of the Subsidiary Company ended on	31.03.2012	31.03.2012	31.03.2012
Number of Shares in the Subsidiary Company held by J.J. Exporters Limited at the above date	Stock Rs. 50,840/-	Stock Rs. 5,950,000/-	85 Rs. 3,543,200/-
Equity Shares Equity Holding	USD 1000 100%	RBLS 3,500,000 100%	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 with in the account of J.J. Exporters Limited for the Year Ended 31.03.2012	Nil	Nil	Nil
B) Not dealt with in the account of J.J. Exporters Limited for the Year Ended 31.03.2012 (Net of Taxes)	Rs. 1,460,684/- USD 28,731	Rs. (628,561/-) RBLS (369,742)	Rs. 306,366/- EURO 4,520
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 with in the account of J.J. Exporters Limited upto Year Ended 31.03.2011	Rs. 355,880/- USD 7,000	Nil	Nil
B) Not dealt with in the account of J.J. Exporters Limited upto Year Ended 31.03.2011	Rs. 41,158,081/- USD 809,561	Rs. (4,861,606/-) RBLS (2,859,768)	Rs. 765,642/- EURO 11,296
Change in the interest of J.J. Exporters Limited between the end of the Financial Year and 31st March, 2012	—	—	—
Material Changes between the end of the financial year and 31st March, 2012	—	—	—

- i) US\$ have been converted to INR at the exchange rate prevailing on 31st March, 2012 (1 US\$ = Rs. 50.84).
- ii) RBLS have been converted to INR at the exchange rate prevailing on 31st March, 2012 (1 RBLS = Rs. 1.70).
- iii) EURO have been converted to INR at the exchange rate prevailing on 31st March, 2012 (1 EURO = Rs. 67.78).

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman

Laxmi Jhunjunwala
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth | Directors

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

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 emphasizing 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 09.05.2011, 14.06.2011, 28.07.2011, 01.11.2011 & 30.01.2012.

Composition of the Board of Directors and other details as on 31st March, 2012 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 28th July, 2011
			As Chairman	As Member		
Mr. S. N. Jhunjhunwala	Promoter, Executive	2	None	None	5	Yes
Mrs. Laxmi Jhunjhunwala	Promoter, Non Executive	1	None	None	5	Yes
Mr. Rajiv Jhunjhunwala	Promoter, Executive	1	None	None	4	Yes
Mr. Arun Kumar Shraff *	Non Promoter-Executive Director	None	None	None	2	No
Mr. P. J. Sheth	Non-Executive Independent	None	None	None	3	Yes
Mr. P. K. Sarkar	Non-Executive Independent	None	None	None	5	Yes
Mr. M. L. Gulrajani	Non-Executive Independent	2	None	None	5	Yes
Mr. Pradeep Kumar Singhi	Non-Executive Independent	5	3	1	5	Yes
Mr. Arvind Kumar Thakur**	Non Promoter-Executive Director	None	None	None	1	N.A.

*Ceased to be Director w.e.f. 07.10.2011

** Was appointed during the year w.e.f. 01.11.2011

Director

Mr. Arun Kumar Shraff (Non-Promoter Executive Director) resigned from the Board of the Company during the year w.e.f. 07.10.2011. Mr. Arvind Kumar Thakur was appointed as an Additional Director during the year by the Board at its meeting held on 01.11.2011. Mr. Thakur will hold office upto the date of the forthcoming Annual General Meeting. Mr. Thakur was also appointed as a Whole Time Director of the Company during the year.

Mr. M. L. Gulrajani and Mr. P. K. Sarkar, Directors, retire by rotation and being eligible have offered themselves for re-appointment. Brief resume of the above Directors, nature of their expertise in specific functional areas and name 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 31.03.2012
Mr. M. L. Gulrajani	68	Ph.D.(Tech.)	He is a Professor at IIT, Delhi and has got about thirty seven years experience of Teaching research and development at IIT, Delhi. He is a consultant to many Industrial Units and Ministry of Textiles, Govt. of India.	1) Kothari Infotech Ltd. 2) Gujarat Eco-Textile Parks Ltd.	—	—
Mr. P. K. Sarkar	78	IAS (Retd.)	40 years including Finance Secretary with Govt. of West Bengal and Chairman, Damodar Valley Corporation.	—	—	—
Mr. Arvind Kumar Thakur	38	C.A.	15 years in Finance and Accounts.	—	—	—

The shareholding of the Non-Executive Directors in the Company as on 31.03.2012 is as follows :

Name of the Non-Executive Director	Nos. of shares held in the Company as on 31.03.2012	Nos. of stock options held in the Company as on 31.03.2012
Mrs. Laxmi Jhunjunwala	170,000	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 comprises of three Independent Non-Executive Directors i.e. Mr. Pradeep Kumar Singhi, Mr. M. L. Gulrajani and Mr. P. K. Sarkar. Mr. Pradeep Kr. Singhi is the Chairman of the Committee. The committee met five times during the year under review on 09.05.2011, 14.06.2011, 28.07.2011, 01.11.2011 & 30.01.2012. The attendance of the members at these meetings was as follows :

SI. No.	Name of the Members	Status	No. of Meetings attended
1.	Mr. Pradeep Kumar Singhi	Chairman, independent non-executive	5
2.	Mr. P. K. Sarkar	Member, independent non-executive	5
3.	Mr. M. L. Gulrajani	Member, independent non-executive	5

Mr. S. L. Agrawal, Company Secretary, Mr. Arvind Thakur – Whole Time Director & CFO, the Statutory Auditors and the Internal Auditors of the Company are 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 Committee consists of three Non-Executive Directors viz Mr. P. K. Sarkar, Mr. M. L. Gulrajani and Mrs. Laxmi Jhunjunwala. Mr. P. K. Sarkar is the Chairman of the Committee. The Committee met once during the year on 1st November, 2011 to consider the appointment of Mr. Arvind Kumar Thakur as Whole Time Director of the Company. The meeting was attended by all the three members.

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

Particulars	Mr. Arvind Kumar Thakur	Mr. S. N. Jhunjunwala	Mr. Rajiv Jhunjunwala	Mr. Arun Kumar Shraff
	Whole Time Director & CFO	Executive Chairman	Vice Chairman	Whole time Director
	Rs.	Rs.	Rs.	Rs.
Salary	375,000	1,536,000	1,440,000	499,380
Allowances and other perquisites	205,000	–	–	211,312
Gratuity	–	–	–	288,104
Contribution to Provident and Gratuity Funds	45,000	184,320	172,800	59,928
Total	625,000 **	1,720,320	1,612,800	1,058,724
Service Contract	5 years (1st Nov, 2011 to 31st October, 2016)	5 years (1st Feb, 2011 to 31st Jan, 2016)	5 years (1st Feb, 2011 to 31st Jan, 2016)	5 years* (1st Nov, 2008 to 31st Oct, 2013)

* Has resigned w.e.f. 07.10.2011

** excludes Rs. 875,000/-, paid to him before his appointment as Whole Time Director

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

Name of the Non-Executive Directors	Sitting Fees paid (Rs.)
Mrs. Laxmi Jhunjunwala	Rs. 75,000/-
Mr. P. J. Sheth	Rs. 37,500/-
Mr. P. K. Sarkar	Rs. 137,500/-
Mr. M. L. Gulrajani	Rs. 137,500/-
Mr. Pradeep Kumar Singhi	Rs. 125,000/-
Total	Rs. 512,500/-

V. SHAREHOLDERS' COMMITTEES

a) **Shareholders'/Investors' Grievance Committee** : The Committee comprised of Mr. P. K. Sarkar, Mr. S. N. Jhunjunwala and Mr. Arun Kumar Shraff. Consequent upon his resignation Mr. Arun Kr. Shraff ceased to be a member of the Committee. Now the Committee consists of Mr. P. K. Sarkar and Mr. S. N. Jhunjunwala. Mr. P. K. Sarkar continues to be the Chairman of the Committee.

Details of Shareholders' complaints received : One complaint was received during the year which was satisfactorily resolved. No shares were pending for transfer as on 31st March, 2012, from the shareholder of the Company. No meeting of the shareholders/Investors Grievances Committee was held during the year.

b) **Share Transfer Committee** : The Share Transfer Committee comprised of Mr. S. N. Jhunjunwala, Mr. Rajiv Jhunjunwala and Mr. Arun Shraff. Consequent upon his resignation Mr. Shraff ceased to be a member of the Committee w.e.f. 07.10.2011. Mr. Arvind Kr. Thakur was inducted in the Committee as a member w.e.f. 01.11.2011. The Committee met 3 (three) times during the year.

Compliance Officer : Mr. S. L. Agrawal, Company Secretary is 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
2010-2011	28th July, 2011	Kala Kunj Hall, 48, Shakespeare Sarani Kolkata - 700 017	4.00 p.m.	Re-appointment of Mr. S. N. Jhunjunwala as Whole Time Director
2009-2010	28th July, 2010	- do -	4.00 p.m.	Revision in the remuneration paid to Ms. Neha Jalan
2008-2009	30th July, 2009	- do -	4.00 p.m.	None

No special resolution was passed through Postal Ballot during the F. Y. 2011-2012. None of the Business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot.

VII. DISCLOSURES

- a) 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 Point no.8 of Note '23' 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.
- b) 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 :

1. **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.

2. **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.
3. **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.

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

VIII. MEANS OF COMMUNICATION

- a) 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.
- b) 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.
- c) 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

- a) Date and venue of Thirty-ninth Annual General Meeting : The Thirty-Ninth Annual General Meeting of the Company will be held on 14th August, 2012 at 4.00 p.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017.
- b) Book Closure Dates : The Share Transfer Books and Register of Members will remain closed from 7th August, 2012 to 10th August, 2012 (both days inclusive).
- c) 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 2011-12.

d) Share Price Data* (BSE) (in Rs.)	Months	High	Low
	April, 2011	20.80	14.75
	May, 2011	19.25	14.50
	June, 2011	18.90	15.00
	July, 2011	17.50	13.55
	August, 2011	14.85	11.10
	September, 2011	14.35	12.17
	October, 2011	17.14	12.38
	November, 2011	18.70	15.10
	December, 2011	18.20	15.70
	January, 2012	17.55	15.40
	February, 2012	16.55	12.25
	March, 2012	14.85	11.00

* 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) 2454 1892-1893,
Fax : (033) 2454 1961
E-mail : mcskol@rediffmail.com
- 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, 2012	:	Category	No. of Shares	Percentage
		Promoters *	67,54,716	72.93%
		Domestic Institutional Investors	—	—
		NRI's/OCB's	4,00,206	4.32%
		Other Body Corporates	5,07,026	5.47%
		Indian Public	16,00,302	17.28%
		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	:	As at 31 March, 2012, approximately 97.79% 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)	:	<ol style="list-style-type: none"> 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. 		
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, 2012 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, 2012.

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, 2012 has been placed before the Board in the meeting held on 21.05.2012.

XII. SUBSIDIARY COMPANIES

The Company has two wholly owned subsidiaries namely, Spin International Inc. - USA, and OOO JJ Home - Russia. The provisions of Clause 49 of the Listing Agreement are not applicable to these subsidiaries.

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 2012, 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 Certification of Corporate Governance [as stipulated in Clause 49 of the Listing Agreement(s)], issued by the Institute of Chartered Accountants 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 the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

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

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants

Anand Prakash
Partner

Membership No. 56485
ICAI Reg:No. 302111E

Place : Kolkata
Date: 21st day of May, 2012

AUDITORS' REPORT

To the members of J J EXPORTERS LIMITED

We have audited the attached Balance Sheet of J J EXPORTERS LIMITED, as at 31st March 2012, the annexed Profit and 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 misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 and 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 and 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, 2012 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, 2012 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 Clause no. 22 of Note 23 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, 2012 and,
 - (b) In the case of the Profit and 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.

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants

Place : Kolkata
Date: 21st day of May, 2012

Partner
Membership No. 56485
ICAI Reg:No. 302111E

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, 2012 OF J J EXPORTERS LIMITED

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 subsidiary company. The details of loan transactions are as follows:-

No. of Party	Opening as on 01.04.11 Rs.	Given during the year Rs.	Refunded during the year Rs.	Written Off Rs.	Closing as on 31.03.12 Rs.	Maximum balance Rs.
1	10,426,270		10,426,270	—	—	10,426,270

- (b) In our opinion, the terms and conditions on which loan was 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 company.
- (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 & explanations given to us, the company has not taken any loan, secured or unsecured from companies, firms or 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 thereunder. 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 firm 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, 2012 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 disputed statutory dues on account of Income Tax and Sales Tax which have not been deposited with the appropriate authorities are as under :

Nature Of Dues	Amount (Rs.)	Forum Where Dispute Is Pending
Income Tax	5,86,08,571	Commissioner Of Income Tax (Appeals)
Sales Tax	124,119,951	Joint Commissioner Of Sales Tax

- x) There are no accumulated losses of the Company at the end of the financial year Although it has incurred cash loss in the current financial year, it has not incurred cash loss in 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, except, **interest on term loan from a bank, amounting to Rs. 70,11,699 which is outstanding as at 31st March 2012.**
- 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 in its own name holds the shares, securities and other investments, 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 Clause No. 4 of Note 23).
- 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 on 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 has 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

Place : Kolkata
Date: 21st day of May, 2012

Partner
Membership No. 56485
ICAI Reg.No. 302111E

Balance Sheet as at 31st March 2012

PARTICULARS	Notes	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	92,622,500	92,622,500
(b) Reserves and Surplus	2	258,414,495	409,617,572
		<u>351,036,995</u>	<u>502,240,072</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	3(a)	275,127,000	333,900,000
		<u>275,127,000</u>	<u>333,900,000</u>
(3) Current Liabilities			
(a) Short-term borrowings	3(b)	310,320,546	269,661,638
(b) Trade payables	4	54,929,063	46,499,919
(c) Other current liabilities	5	80,336,335	43,111,569
(d) Short-term provisions	6	61,684,077	61,654,077
		<u>507,270,021</u>	<u>420,927,203</u>
Total		<u><u>1,133,434,016</u></u>	<u><u>1,257,067,275</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	547,166,422	592,545,036
(ii) Capital Work In Progress		3,590,374	1,789,790
(b) Non-current investments	8(a)	93,889,327	89,134,104
(c) Long term loans and advances	9	10,905,225	20,742,353
		<u>655,551,348</u>	<u>704,211,283</u>
(2) Current assets			
(a) Current investments	8(b)	5,588,289	329,647
(b) Inventories	10	212,793,693	281,893,997
(c) Trade receivables	11	108,944,507	112,736,220
(d) Cash and Bank Balances	12	24,041,479	39,638,629
(e) Short-term loans and advances	13	116,993,006	106,784,390
(f) Other current assets	14	9,521,694	11,473,109
		<u>477,882,668</u>	<u>552,855,992</u>
Total		<u><u>1,133,434,016</u></u>	<u><u>1,257,067,275</u></u>

Significant Accounting Policies

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For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No.56485)

Kolkata

Dated: 21st May, 2012

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman

Laxmi Jhunjunwala
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

Statement of Profit and Loss for the year ended 31st March 2012

PARTICULARS	Notes	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
I. Revenue from operations	15	616,337,539	647,974,183
II. Other Income	16	1,911,697	45,570,239
III. Total Revenue (I + II)		618,249,236	693,544,422
IV. Expenses:			
Cost of materials consumed & other manufacturing expenses	17	360,845,695	401,684,255
Purchase of traded goods	18	13,041,390	8,937,848
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	18,191,409	(5,602,595)
Employee benefit expenses	19	123,545,989	126,524,992
Finance costs	20	56,977,182	39,068,941
Depreciation and amortisation expenses	21	52,698,516	57,241,800
Other expenses	22	116,239,787	116,553,809
Total Expenses		741,539,968	744,409,050
V. Profit/ (Loss) before prior period adjustments, exceptional items and tax (III - IV)		(123,290,732)	(50,864,628)
VI. Prior Period Adjustments		44,596	948,572
VII. Profit/ (Loss) before exceptional items and tax (V - VI)		(123,335,328)	(51,813,200)
VIII. Exceptional Items (Refer Clause 22 of Note 23)		27,547,746	35,772,526
IX. Profit/ (Loss) before tax (VII - VIII)		(150,883,074)	(87,585,726)
X. Tax expense:			
(1) Current tax (Wealth tax)		30,000	50,000
(2) Deferred tax		-	-
(3) Income tax for earlier years		290,003	-
XI. Profit/(Loss) after tax (IX - X)		(151,203,077)	(87,635,726)
XII. Earning per equity share: (Refer Clause 9 of Note 23)		(16.32)	(9.46)
Significant Accounting Policies	23		

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No.56485)

Kolkata

Dated: 21st May, 2012

Arvind Kr. Thakur
Director & CFO**S. L. Agrawal**
Company Secretary**S. N. Jhunjunwala** — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman**Laxmi Jhunjunwala**
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

NOTE : 1 SHARE CAPITAL	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Authorised Shares		
Equity shares		
10,000,000 (10,000,000) shares of Rs. 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up Shares		
1,257,500 (1,257,500) shares of Rs. 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (42,500) 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) shares of Rs. 10/- each allotted as fully Paid-Up, Bonus Shares by way of Capitalisation of Reserve	58,760,000	58,760,000
2,086,250 (2,086,250) shares of Rs. 10/- each allotted as fully Paid-Up, pursuant to Scheme of Amalgamation	20,862,500	20,862,500
Total	92,622,500	92,622,500

a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2012 Rs.	Nos.	As at 31st March 2011 Rs.
At the beginning of the period	9,262,250	92,622,500	9,262,250	92,622,500
Issued during the period	—	—	—	—
Outstanding at the end of the period	9,262,250	92,622,500	9,262,250	92,622,500

b. Aggregate number of Bonus share issued & share issued for consideration other than cash

Particulars	Nos.	As at 31st March 2012 Rs.	Nos.	As at 31st March 2011 Rs.
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	5,876,000	58,760,000	5,876,000	58,760,000
Issued during the year	—	—	—	—
Outstanding at the end of the year	5,876,000	58,760,000	5,876,000	58,760,000
Equity share allotted as fully paid up pursuant to contracts for consideration other than Cash				
At the beginning of the year	2,128,750	21,287,500	2,128,750	21,287,500
Issued during the year	—	—	—	—
Outstanding at the end of the year	2,128,750	21,287,500	2,128,750	21,287,500

c. Details of Shareholders holding more than 5% Shares in the Company

Particulars	Nos.	As at 31st March 2012 % Holding in the Class	Nos.	As at 31st March 2011 % Holding in the Class
Equity Shares of Rs. 10 Each				
Nupur Carpets Private Limited	2,600,241	28.07	2,566,212	27.71
J J Beneficiary trust	1,303,675	14.08	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	636,400	6.87	636,400	6.87

Note : 2 RESERVE & SURPLUS	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
a) Capital Reserve		
Capital subsidy received from WBIDC	7,934,000	7,934,000
Pursuant to Scheme of Amalgamation	1,530,610	1,530,610
Addition	-	-
Deduction	-	-
Closing Balance	9,464,610	9,464,610
b) Share Premium Account		
Opening Balance	48,203,900	48,203,900
Addition	-	-
Deduction	-	-
Closing Balance	48,203,900	48,203,900
c) General Reserve		
Opening Balance	344,400,000	344,400,000
Addition	-	-
Deduction	-	-
Closing Balance	344,400,000	344,400,000
d) Deficit (Profit & Loss Account)		
Opening Balance	7,549,062	95,184,788
Addition	-	-
Deduction	(151,203,077)	(87,635,726)
Closing Balance	(143,654,015)	7,549,062
Total	258,414,495	409,617,572

Note : 3 BORROWINGS	As at 31st March 2012 (Rs.)			As at 31st March 2011 (Rs.)		
	Non-Current (a)	Current (b)	Total (a+b)	Non-Current (a)	Current (b)	Total (a+b)
Term Loans						
Secured						
- From Bank	265,127,000	58,773,000	323,900,000	323,900,000	-	323,900,000
- From Body Corporate	10,000,000	-	10,000,000	10,000,000	-	10,000,000
Working Capital Loan From Bank						
Secured						
- Packing Credit Loan	-	9,000,001	9,000,001	-	1,054,041	1,054,041
- Packing Credit Loan -Foreign Currency	-	178,643,106	178,643,106	-	195,426,613	195,426,613
- Bill Discounted With Banks-Foreign Currency	-	63,904,439	63,904,439	-	70,406,628	70,406,628
- Cash Credit From Banks	-	-	-	-	2,774,356	2,774,356
Total	275,127,000	310,320,546	585,447,546	333,900,000	269,661,638	603,561,638

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

- b) As collateral security, Indian Overseas Bank has second pari passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- c) As collateral security, The Federal Bank Ltd. has second pari passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore, (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal, (iv) Mortgage on Land & Building at 51/2, Hindustan Park, Kolkata and (v) Mortgage on flat at Santilla Apartment, Yelhanka, Bangalore. Further, the working capital limits of The Federal Bank Ltd. are also secured by personal guarantee of three Directors of the company.
- d) 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
Doddaballapur	(i) First charge on Land and Building at Dodaballapur. (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 (iv) First charge on movable and immovable assets (except 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 building thereon. Plant and machinery on first charge (iii) Land measuring 2,454.24 sq. yard along with factory building measuring 17,920 sq. ft. situated at Rajajinagar on first charge. (iv) Personal guarantee of a Director.

- e) Rupee Term Loan from a company has been secured as follows :

Purpose	Description of property
Working Capital Margin	Rupee term loan from a company is secured by 1st charge on office premises at KCI Plaza at 23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019 and at 1/2C, Baburam Ghosh Road, Kolkata - 700 040

- f) Terms of repayment of Term Loans

– From Bank				
Particulars	Term Loan I	Term Loan II	Term Loan III	Total
Name of the Bank	IDBI	IDBI	IDBI	
Amount outstanding as on 31st March 2012 & 31st March 2011 (Rs.In lakhs)	1188	351	1700	3239
Repayment Schedule				
Term Loan I	a) Rs. 3,00,00,000/- to be repaid in 12 equal monthly instalments of Rs. 25,00,000/- starting from 1st of April 2012. b) Rs. 4,08,00,000/- to be repaid in 12 equal monthly instalments of Rs. 34,00,000/- starting from 1st of April 2013. c) Rs. 4,80,00,000/- to be repaid in 12 equal monthly instalments of Rs. 40,00,000/- starting from 1st of April 2014.			
Term Loan II	a) Fully to be repaid in 48 equal monthly instalments of Rs. 7,31,250/- starting from 1st of April 2012.			
Term Loan III	a) Rs. 3,99,96,000 to be repaid in 12 equal monthly instalments of Rs. 33,33,000/- starting from 1st of October 2012. b) Rs. 5,04,96,000 to be repaid in 12 equal monthly instalments of Rs. 42,08,000/- starting from 1st of October 2013. c) Rs. 7,50,72,000 to be repaid in 17 equal monthly instalments of Rs. 44,16,000/- starting from 1st of October 2014. d) Rest of Rs. 44,36,000 to be repaid on 1st of March 2016.			
– From Other Parties	To be repaid latest by 24th of November 2015.			

Note : 4 TRADES PAYABLE	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Sundry Creditors for Goods and Services	54,929,063	46,499,919
Total	<u>54,929,063</u>	<u>46,499,919</u>

- a) The company has not received information from vendors regarding the status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence no disclosures thereof for outstandings are made in this account.

Note : 5 OTHER CURRENT LIABILITIES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Interest Accrued & Due	7,011,699	–
Interest Accrued but not due	5,017,541	410,301
Advance from Customers	26,204,467	22,175,031
Payable to employees	15,842,668	16,889,958
Other Payables	24,513,081	2,954,559
Book Bank Overdraft	1,243,787	–
Unclaimed Dividend	503,092	681,720
Total	<u>80,336,335</u>	<u>43,111,569</u>

Note: Other Payables includes advance taken of Rs. 2,00,00,000/- against sale of property.

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Provision For Income Tax & FBT	61,684,077	61,654,077
Total	<u>61,684,077</u>	<u>61,654,077</u>



Note : 7 Fixed Assets

PARTICULARS	COST				ACCUMULATED DEPRECIATION & AMORTISATION				NET BOOK VALUE	
	01.04.2011	Addition	Deduction	31.03.2012	01.04.2011	Charge for The Year	Deduction/ Adjustment	31.03.2012	31.03.2012	31.03.2011
Tangible Assets										
Free-hold Land	27,856,370	8,740,535	-	36,596,905	-	-	-	-	36,596,905	27,856,370
Leasehold Land *	3,732,737	-	3,366,356	366,381	185,889	12,213	-	198,102	168,279	3,546,848
Buildings & Structures	427,452,563	-	-	427,452,563	108,133,389	25,420,350	-	133,553,738	293,898,825	319,319,175
Plant & Machineries	779,401,342	235,565	-	779,636,907	601,375,449	15,464,159	-	616,839,608	162,797,299	178,025,893
Office Equipments	4,913,112	38,180	-	4,951,292	2,654,285	297,816	-	2,952,101	1,999,191	2,258,826
Electronic Data Processing Machines	37,383,393	1,630,183	2,790,303	36,223,273	29,931,592	3,146,815	2,653,377	30,425,030	5,798,242	7,451,801
Electrical Installations	39,767,275	6,480	-	39,773,755	11,400,483	3,608,103	-	15,008,586	24,765,170	28,366,792
Air-conditioners	4,054,924	-	53,200	4,001,724	1,519,740	344,755	4,163	1,860,333	2,141,391	2,535,184
Fire Fighting Equipments	671,855	-	-	671,855	345,811	31,986	-	377,797	294,058	326,044
Furniture & Fittings	38,027,253	221,278	-	38,248,531	20,447,180	3,125,694	-	23,572,874	14,675,657	17,580,073
Motor Cars	11,922,691	-	-	11,922,691	7,064,318	1,186,015	-	8,250,334	3,672,357	4,858,372
Motor Van	508,681	-	-	508,681	247,518	33,885	-	281,403	227,278	261,163
Scooter & Cycles	413,967	-	-	413,967	353,219	10,822	-	364,041	49,927	60,749
Weighing Scales	399,890	-	-	399,890	302,144	15,903	-	318,047	81,843	97,746
T O T A L	1,376,506,053	10,872,221	6,209,859	1,381,168,415	783,961,017	52,698,516	2,657,540	834,001,994	547,166,422	592,545,036
Previous Year	1,365,475,557	16,704,716	5,674,220	1,376,506,053	728,252,930	57,241,800	1,533,713	783,961,017	592,545,036	

* Leasehold Land of Rs. 33,66,356 has been converted to Freehold land.

Leasehold land is being depreciated over the period of lease.

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value ₹	As at 01.04.11		Additions (cost)		Deductions (cost)		As at 31.03.12	
		No. of Shares/ Units	Value ₹	No. of Shares/ Units	Value ₹	No. of Shares/ Units	Value ₹	No. of Shares/ Units	Value ₹
A) NON-CURRENT INVESTMENT									
I) Investment in Equity Instruments									
a) In fully paid up share of subsidiary (trade)(Unquoted)									
- Spin International Inc.		850	40,809		-		-		40,809
- OOO J J Home (FC)			16,272		6,078,900		-		6,095,172
- J J Creations SA (FC)			1,500,690		-		-		1,500,690
b) Others (Quoted)									
- J. J. Exporters Ltd. (held by J. J. Exporters Beneficiary Trust as Treasury Share)	10	1,303,675	81,100,278		-		-		81,100,278
- ABG Infralogistics Limited	10	8,500	4,199,714		-	1,000	757,086	7,500	3,442,627
- ABG Shipyard	10	4,000	2,266,341		-	1,000	566,590	3,000	1,699,751
c) Others (Unquoted)									
- Ballygunge Services Pvt. Ltd.	10	1,000	10,000		-		-	1,000	10,000
Total (A)			89,134,104		6,078,900		1,323,676		93,889,327
B) CURRENT INVESTMENT									
I) Investment in Govt. Securities (Non - trade) (Unquoted)									
- National Savings Certificates			12,100		-		100		12,000
II) Investment in Equity Instruments (Non - trade)									
- Reliance Broadcast Network Ltd.	5	1,000	562,279		-	1,000	562,279		-
- R.S. Software (India) Ltd.	10	6,400	243,597		-	6,400	243,597		-
II) Investment in Mutual Fuds (Non - trade)									
- Reliance Money Manager Fund				12,693	20,000,000	8,761	14,423,711	3,932	5,576,289
Total (B)			817,976		20,000,000		15,229,687		5,588,289
Total (A + B)			89,952,080		26,078,900		16,553,363		99,477,616
Less : Provision for fall in value of short term investment			(488,329)						-
Total :			89,463,751						99,477,616

	As at 31st March 2012	As at 31st March 2011
	Cost ₹	Market Value ₹
Aggregate value of Quoted Investments	91,818,945	23,499,372
Aggregate value of Un-quoted Investments	7,658,671	NA
	88,372,209	22,440,143
	1,579,871	NA

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
a) Loans :		
Unsecured, considered good :		
- To Subsidiary	-	10,426,270
- To Others	1,000,000	1,000,000
b) Advances to Staff (Unsecured- considered good)	1,296,051	-
c) Advance Against Capital Goods	6,051,752	6,657,584
d) Security Deposits :		
Unsecured, considered good	2,557,422	2,658,499
Total	10,905,225	20,742,353

Note : 10 INVENTORIES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Raw Material {(includes stock in transit Rs. 56,62,445/- (Rs. Nil)}	59,374,651	105,670,748
Work-in-progress	67,334,060	72,986,322
Finished goods	73,696,979	86,236,126
Stores	12,135,917	16,746,360
Packing materials	252,086	254,441
Total	212,793,693	281,893,997

Note : 11 TRADE RECEIVABLES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Outstanding for a period exceeding six months		
a) Secured, considered good	-	-
b) Unsecured, considered good	2,629,378	6,798,736
c) Doubtful	-	-
	2,629,378	6,798,736
Others :		
a) Secured, considered good	-	-
b) Unsecured, considered good	106,315,129	105,937,484
c) Doubtful	-	-
	106,315,129	105,937,484
Total	108,944,507	112,736,220

Note : 12 CASH & BANK BALANCES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Balances with Banks		
a) In Current Account	10,320,761	2,982,200
b) In Foreign Currency Account	2,428,703	2,671,811
c) In Fixed Deposit Account	508,853	28,038,350
d) In Margin Deposit Account	9,588,116	4,321,598
e) In Unpaid Dividend Account	513,514	693,191
	<u>23,359,947</u>	<u>38,707,150</u>
Cash & Cash Equivalents		
a) Cash on Hand	556,405	892,187
b) Foreign Exchange on Hand	125,127	39,292
	<u>681,532</u>	<u>931,479</u>
Total	<u>24,041,479</u>	<u>39,638,629</u>

Note : 13 SHORT TERM LOANS & ADVANCES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Advance Income tax and other taxes	79,836,143	79,978,331
Advances recoverable in cash or in kind		
Considered good	37,156,863	26,806,059
Considered doubtful	475,387	475,387
Less:		
Provision for doubtful advance	(475,387)	(475,387)
	<u>37,156,863</u>	<u>26,806,059</u>
Claim receivable	14,597,401	35,772,526
Less: provision	(14,597,401)	(35,772,526)
	<u>-</u>	<u>-</u>
Total	<u>116,993,006</u>	<u>106,784,390</u>

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Interest accrued	835,815	2,455,352
Duty drawback receivable	2,325,803	1,922,478
DEPB entitlements receivable	82,984	460,726
Focus product license in hand	3,018,038	1,682,032
Tufs subsidy receivable	3,259,054	4,952,521
Total	<u>9,521,694</u>	<u>11,473,109</u>

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
SALE OF PRODUCTS		
Export Sales		
Fabrics (Silk)	457,708,509	546,232,191
Garments & Made-Ups	83,758,496	70,199,677
Fabrics (Cotton/Wollen)	9,011,185	3,279,661
	<u>(A)</u> 550,478,190	<u>619,711,529</u>
Deemed Export		
Silk Fabrics	5,598,346	690,624
Cotton Fabrics	4,373	-
	<u>(B)</u> 5,602,719	<u>690,624</u>
Local Sales/Realisation	<u>(C)</u> 22,475,784	15,427,132
Design & Job Charges	<u>(D)</u> 1,869,077	1,487,757
	<u>(A + B + C + D)</u> 580,425,770	<u>637,317,042</u>
Export Incentives		
Duty Exemption Pass-book Entitlements	392,144	423,492
Duty Drawback	8,719,594	6,977,878
Focus Product Incentive Schemes	34,211,741	3,255,771
	<u>43,323,479</u>	<u>10,657,141</u>
Less: Refund of Duty Drawback	<u>(7,411,710)</u>	-
	<u>35,911,769</u>	<u>10,657,141</u>
Total	<u>616,337,539</u>	<u>647,974,183</u>

Local Sale includes retail showroom sale Rs. 9,921,331/- (Rs. 10,758,147/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Interest	915,773	1,901,275
Dividend on long term investments	77,059	96,500
Dividend on short term investments	-	2,124
Rent	42,000	-
Profit/ (Loss) on Sale of Fixed Asset (net)	(124,390)	41,701,686
Profit/ (Loss) on Sale of Long term Investment (net)	(654,364)	-
Profit/ (Loss) on Sale of Short term Investment (net)	161,136	(6,077)
Provision For Fall In Value of Investment written back	488,329	121,381
Miscellaneous receipts & adjustments (net)	1,006,154	1,753,350
Total	<u>1,911,697</u>	<u>45,570,239</u>

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Raw Material Consumed	284,500,172	323,794,680
Stores Consumed	12,604,118	13,037,917
Power & Fuel	34,031,232	40,935,616
Stitching, Embroidery & Designing Charges	20,993,657	15,062,191
Weaving, Dyeing, Printing & Processing Expenses	7,529,803	6,711,460
Carriage Inward	1,186,713	2,142,391
Total	<u>360,845,695</u>	<u>401,684,255</u>

Raw material consumption

<i>Fabrics</i>	68,768,600	64,157,087
<i>Yarn</i>	208,580,516	249,210,244
<i>Others</i>	7,151,056	10,427,349
	<u>284,500,172</u>	<u>323,794,680</u>

Note : 18 (INCREASE)/DECREASE IN INVENTORIES MANUFACTURING EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Inventories at the end of the year		
Work in Progress	67,334,060	72,986,322
Finished goods	73,696,979	86,236,126
	<u>141,031,039</u>	<u>159,222,448</u>
Inventories at the beginning of the year		
Work in Progress	72,986,322	64,060,619
Finished goods	86,236,126	89,559,234
	<u>159,222,448</u>	<u>153,619,853</u>
Total	<u>18,191,409</u>	<u>(5,602,595)</u>
Details of Purchase of Traded Goods		
Silk Fabric	9,628,199	3,259,905
Cotton Fabric	677,308	931,069
Others (Handicrafts & Showroom)	2,735,883	4,746,874
Total	<u>13,041,390</u>	<u>8,937,848</u>

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Salary, wages, Bonus, Gratuity & allowances	107,586,846	111,239,436
Contribution to Provident Fund , ESI & Other Fund	11,770,006	11,850,897
Staff Welfare Expenses	4,189,137	3,434,659
Total	<u>123,545,989</u>	<u>126,524,992</u>

Note : 20 FINANCE COST	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Interest Expense	47,607,440	39,884,197
Exchange differences arising from Foreign Currency borrowings to the extent that they are regarded as an adjustments to interest costs	9,369,742	(815,256)
Total	<u>56,977,182</u>	<u>39,068,941</u>

Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Depreciation	52,698,516	57,241,800
	<u>52,698,516</u>	<u>57,241,800</u>

Note : 22 OTHER EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Rent	849,642	1,105,966
Printing & Stationery	1,992,150	2,757,452
Postage, Telegram & Telephone	4,147,713	4,384,090
Rates & Taxes	2,577,052	3,938,102
Insurance	666,360	912,724
Travelling Expenses		
Foreign Travelling	8,079,518	11,074,633
Inland Travelling	1,705,962	1,765,828
Conveyance	7,027,292	6,842,594
Payment to Auditors		
As Auditors	774,375	615,000
For Taxation matters	130,298	93,001
For Certification/Limited review	274,427	69,000
For Reimbursement of Expenses	65,997	97,595
Professional Fees	3,675,321	9,648,457
Director's Meeting Fees	512,500	337,500
Director's Remuneration	4,305,940	4,536,946
Filing Fees	21,292	9,700
Commission & Brokerage	26,004,718	25,684,843
Selling & Distribution Expenses	14,911,825	11,153,422
Repairs & Maintenance		
to Building	1,037,585	1,203,767
to Machinery	3,207,930	4,616,255
to Others		
Vehicle Maintenance	2,128,548	1,917,732
Export Credit Guarantee Premium	2,633,956	2,648,888
Export Promotion Expense	217,803	103,661
Export Expense	437,283	348,887
Trade Fair Expense (Net)	3,582,949	2,599,630
Service Charge	4,652,379	5,039,327
Rebate & Discount	1,168,059	1,615,200
Net (Gain)/ Loss on Foreign Currency transaction and translation	4,663,086	(1,969,654)
Bank Charges	4,053,469	3,480,359
Miscellaneous Expense	8,151,253	7,220,186
Total	116,239,787	116,553,809
Selling & Distribution Expenses includes –		
<i>Advertisement</i>	643,682	574,574
<i>Samples (Net)*</i>	10,467,560	5,708,235
<i>Packing Expenses</i>	1,921,612	2,455,479
<i>Freight & Delivery Charges</i>	1,878,971	1,907,081
<i>Market Survey Expense</i>	–	508,053
	14,911,825	11,153,422

* Realisation on account of samples from foreign buyers have been credited to sample expenses account.

Note - 23 SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES

	31.03.2012 Rs.	31.03.2011 Rs.
1 Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advance) - { Advance paid Rs. 60,51,752/- (Previous Year Rs. 66,57,584/-) }	294,675	NIL
2 Contingent Liabilities not provided for :		
a) Letters of Guarantee	5,614,200	7,070,200
b) Income Tax pending in appeals for earlier years	58,608,571	151,091,809
c) Case pending in Labour Court	159,200	159,200
d) Sales tax claim under Appeal (For this, management expects no liability)	124,119,951	1,666,677
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 & except realisation on account of samples which are accounted for on settlement/receipt basis in view of uncertainty of realisations.		
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 entitlement are accounted for on accrual basis on eligible amount of exports made and entitlement of target plus scheme has been accounted on utilisation basis as per the scheme. Focus product credit is booked as on the basis of licences received.		
b) Fixed assets and capital expenditure :		
a) Fixed assets are stated at cost which includes installation & 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 the 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, 1956 save and except for unit J.J. Spectrum Silk where depreciation has been provided on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956. 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 and 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 & Stores have been valued at weighted average cost or net realisable value whichever is lower.		
e) Investments: Non-current investments are stated at cost. Provisions are being made for diminution in value other than temporary in nature. Current investments categorywise are valued 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/ negotiations 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.
- ii) Current Assets and Liabilities in foreign currencies are 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 were in the same is 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 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 and 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 Fund are determined under the relevant Schemes and/or statute and charged to profit and loss account.

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 profit & loss account. 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 to the 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 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 necessarily 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 including exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

- 4 In respect of the equity shares of Erstwhile J.J. Spectrum Silks Ltd. held by the company (hereinafter referred to as the transferee company), 1,303,675 shares have been issued by the transferee company in terms of scheme, 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.
- 5 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.
- 6 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.
- 7 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 contracts reduces the risk or cost to the company and 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	31.03.2012		31.03.2011	
		Buy	Sell	Buy	Sell
USD/INR	\$	Rs. 225,266,250	\$ 4,500,000	Rs. 95,246,250	\$2,000,000
EURO/USD	€	Nil	Nil	\$280,940	€ 200,000
GBP/USD	£	Nil	Nil	\$161,200	£100,000

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

a) Where common control exist.

- i) Spin International Inc.
ii) OOO JJ Home
iii) JJ Creation SA

Relationship

Wholly Owned Subsidiary Company
Wholly Owned Subsidiary Company
Subsidiary Company

Rs.

b) Key Managerial Personnel.

- i) Sri S.N.Jhunhunwala
ii) Sri Rajiv Jhunhunwala
iii) Mrs. Laxmi Jhunhunwala
iv) Shri Arun Kr Shraff
v) Shri Arvind Kumar Thakur

Executive Director & Executive-Chairman
Executive Director & Vice-Chairman
Director
Whole Time Director (resigned with effect from 07-10-2011)
Whole Time Director & CFO (with effect from 01-11-2011)

c) Relative of key managerial personnel

- i) Mrs. Neha Jalan, Designing Consultant
ii) Mrs. Kavita Jhunhunwala

Daughter of Mr. Rajiv Jhunhunwala, Vice-Chairman
Wife of Mr. Rajiv Jhunhunwala, Vice-Chairman

Nature of Transaction

	Related parties referred under (a) above		Related parties referred under (b) and (c) above	
	31.03.2012 (Rs.)	31.03.2011 (Rs.)	31.03.2012 (Rs.)	31.03.2011 (Rs.)
i) Sale of goods	114,976,313	167,789,232	-	-
ii) Remuneration paid	-	-	5,940,844	5,328,946
iii) Outstanding receivable	30,372,679	31,374,088	-	-
iv) Loan refund received	10,426,270	731,115	-	-
v) Loan granted	-	228,860	-	-
vi) Loans outstanding	-	10,426,270	-	-
vii) Sample development & designing charges received	3,247,735	3,167,387	-	-
viii) Loan written off (adjusted against sundry balance w/back (net))	-	1,449,185	-	-
ix) Investment in Share Capital (OOO JJ HOME)	6,078,900	-	-	-

9 Earning per share :

- i) Net profit after tax available for equity shareholders
- ii) Weighted average Number of Equity Shares of Rs. 10/- each outstanding during the year.
- iv) Basic/diluted earning per share

	31.03.2012 Rs.	31.03.2011 Rs.
i) Net profit after tax available for equity shareholders	(151,203,077)	(87,635,726)
ii) Weighted average Number of Equity Shares of Rs. 10/- each outstanding during the year.	9,262,250	9,262,250
iv) Basic/diluted earning per share	(16.32)	(9.46)

10 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

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

	Amount Outstanding		Maximum balance during the year	
	Rs.	Rs.	Rs.	Rs.
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
i) Tanushree Silks Ltd. (since struck off U/s. 560 as per Companies Act)	-	-	-	1,580,000
ii) OOO J J Home	-	10,426,270	10,426,270	10,426,270
iii) J J Creations S.A	-	-	-	600,300

12 Profit and Loss on sale of Investment excludes Rs. 1,404/- (Rs.1,845/-) on account of security transaction tax paid on such transactions.

13 Imports & consumption :

	Capital Goods 31st March Rs.		Stores 31st March Rs.		Raw Materials 31st March Rs.	
	2012	2011	2012	2011	2012	2011
a) Imports (C.I.F. Value)	Nil	1,442,867	3,677,154	4,443,396	155,737,215	282,612,740
b) Consumption						
i) Imported	Nil	Nil	4,167,689	4,107,649	202,801,142	251,313,691
Percentage of Total			33.07%	31.48%	71.28%	77.62%
ii) Indigenous	Nil	Nil	8,436,429	8,940,872	816,99,030	72,480,988
Percentage of Total			66.93%	68.52%	28.72%	22.38%

14 Foreign Currency income & expenditure :

	31.03.2012 Rs.	31.03.2011 Rs.
Income :		
i) Export of goods (F.O.B. Basis) (net after adjustment of Sales returns)	550,478,191	619,711,529
ii) Sample & development Cost Received (net)	2,388,563	6,662,650
iii) Sundry balances written back (net)	23,557	1,091,937
iv) Rebates & claims	1,181,492	123,865
Expenditure :		
i) Commission	25,477,388	23,358,011
ii) Travelling	5,185,958	7,117,316
iii) Foreign Trade Fair	3,582,949	2,501,391
iv) Subscription	98,882	105,653
v) Others	264,198	272,178
vi) Rebates & discounts	2,698,867	1,261,667
vii) Sundry balances written back (net)	-	-
viii) Pre-paid expenses	891,193	684,576
ix) Interest paid in Indian rupees on foreign currency loans	9,364,389	7,079,177
x) Turnover bonus	-	-
xi) Advertisement foreign	34,170	31,383
xii) Market Survey expenses	-	66,019

15 Wholtime Director's Remuneration :

	31.03.2012 Rs.	31.03.2011 Rs.
a) Salaries & Bonus	3,850,380	3,958,940
b) Contribution to P.F. and other funds	462,048	466,788
c) Other perquisites	416,312	111,218
d) Gratuity (since reimbursed by gratuity fund)	288,104	-
	5,016,844	4,536,946

- 16 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 sub judice.
- 17 In Respect of 100% Export Oriented Units and as per the prevailing laws and guidelines, it is 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-fulfilment of terms and conditions.
- 18 Interest include Rs. 41,991,267/- (Rs. 31,273,828/-) on term loan.
- 19 Loans and advances include Rs. 47/- (Rs. 47/-) balance lying with central excise department.
- 20 There is no amount to be credited to Investors Education & Protection Fund as on 31st March, 2012.
- 21 Interest on term loan is net of Rs. 6,308,883/- (Rs. 6,296,955/-) of TUFS subsidy.
- 22 Claims against certain Derivative transactions entered with the Bank during 2007-2008 have not been acknowledged by the company. Claims of Rs. 7.86 crores (excluding Interest) against these transactions which have been contested and not provided by the management, as the matter is sub judice. However, during the year, settlement has been entered with one of the bank and amount paid Rs. 27,547,746/- is shown as exceptional item in the statement of profit & loss account.
- 23 Exchange gain/(loss) amounting to Rs. 3,090,383/- (Rs. 2,973,921/-) in respect of forward exchange contracts for unexpired period to be recognised in subsequent period in accordance with Accounting Standard 11.
- 24 The Disclosure required under Accounting Standard 15 "Employees Benefit" notified in the Companies (Accounting Standard) Rules 2006, are given below:

A DEFINED CONTRIBUTION PLANS

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 (Rs.)	Previous year Total (Rs.)
1) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of obligation as at beginning of the year	19,966,158	16,867,187
Interest cost	1,569,695	1,465,238
Current service cost	1,846,224	2,530,166
Benefits Paid	(155,470)	(2,263,056)
Actuarial (Gain)/Loss on obligations	(3,950,389)	1,366,623
Present value of obligation as at end of the year	19,276,218	19,966,158
2) Reconciliation of opening and closing balances of Fair value of Plan Assets		
Fair value of Plan Assets at beginning of the year	18,288,301	18,639,033
Expected return on plan assets	1,588,839	1,572,919
Contribution	1,500,414	381,328
Benefits Paid	(155,470)	(2,263,056)
Actuarial Gain /(Loss) on Plan assets	210,597	29,087
Fair value of Plan Assets at end of the year	21,432,681	18,359,311
3) Reconciliation of Fair value of assets and obligations		
Actuarial Gain /(loss) for the year- obligations	3,950,389	(1,366,623)
Actuarial (Gain) /loss for the year-plan assets	(210,597)	29,087
Total (Gain) /loss for the year	(3,739,792)	(1,337,536)
Actuarial Gain /(loss) recognised in the year	(3,739,792)	(1,337,536)

	Current year Total (Rs.)	Previous year Total (Rs.)
4) Amount recognised in balance sheet		
Present value of defined benefit obligation	19,276,218	19,966,158
Fair value of plan assets	21,432,681	18,359,311
Net assets recognised in balance sheet	2,156,463	(1,606,847)
5) Expenses recognised during the year in the profit and loss account		
Current service cost	1,846,224	2,530,166
Interest cost	1,569,695	1,465,238
Expected return on plan assets	(1,588,839)	1,572,919
Net Actuarial (gain) /loss recognised in the year	(3,739,792)	(1,337,536)
Expenses recognised in the profit and loss account	(1,912,712)	4,230,787
6) Actuarial 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)	5.00%	5.00%

The estimation of rate escalation in salary considered in the actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. The above information as provided by the actuary.

25 Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its Financial Statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable and the same is being followed by the company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No.56485)

Kolkata

Dated: 21st May, 2012

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman

Laxmi Jhunjunwala
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

Cashflow Statement for the year ended 31st March 2012

	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(150,883,074)	(87,585,726)
Adjustment for:		
Exceptional Items	-	35,772,526
Depreciation	52,698,516	57,241,800
Interest received	(915,773)	(1,901,275)
Interest paid	56,977,182	39,068,941
(Profit)/Loss on sale of Investments	493,228	6,077
(Profit)/Loss on sale of Fixed Asset	124,390	(41,701,686)
Provision for fall in value of Current Investment	(488,329)	(121,381)
Dividend received	(77,059)	(98,624)
Operating Profit before Working Capital changes	(42,070,919)	680,652
Movements in Working Capital :		
Increase/(Decrease) in Trade Payables	8,429,144	3,654,984
Increase/(Decrease) in Other Current Liabilities	17,403,394	19,706,441
Decrease/(Increase) in Trade Receivables	3,791,713	(12,013,551)
Decrease/(Increase) in Inventories	69,100,304	(31,962,702)
Decrease/(Increase) in Long-Term Loans and Advances	(1,389,727)	5,857,000
Decrease/(Increase) in Short -Term Loans and Advances	(10,491,153)	(2,418,490)
Decrease/(Increase) in Other Current Assets	1,951,415	(4,009,933)
Cash generated from operations/(used in) Operations	46,724,171	(20,505,599)
Direct Taxes Paid (Net)	(7,464)	(200,704)
Net Cash from Operating activities	46,716,707	(20,706,303)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Including capital work in progress)	(8,505,865)	(14,556,568)
Sale of Fixed Assets (Including advance taken for sale - net)	20,061,573	45,842,193
Loan given(-) / Refund received(+)	10,426,270	1,951,440
Purchase of Investments (Including Share Application Money)	(26,078,900)	-
Sale of Investments	16,060,135	1,469,669
Interest received	915,773	1,901,275
Dividend received	77,059	98,624
Net Cash from Investing activities	12,956,045	36,706,633

Cashflow Statement for the year ended 31st March 2012 (Contd.)

	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from Long term Borrowings	–	10,000,000
Proceeds/(Repayment) from Short term Borrowings	(18,114,092)	25,267,828
Interest paid	(56,977,182)	(39,068,941)
Dividend paid	(178,628)	(150,387)
Net Cash from Financing activities	(75,269,902)	(3,951,500)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(15,597,150)	12,048,830
Cash and Cash Equivalents at the beginning of the period	39,638,629	27,589,799
Cash and cash Equivalents at the end of the period	24,041,479	39,638,629
Components of Cash & Cash Equivalents		
Balances with Banks		
In Current Account	10,320,761	2,982,200
In Foreign Currency Account	2,428,703	2,671,811
In Fixed Deposit Account	508,853	28,038,350
In Margin Deposit Account	9,588,116	4,321,598
In Unpaid Dividend Account	513,514	693,191
Cash on Hand	681,532	931,479
	24,041,479	39,638,629

Note:

- Previous year's figures have been regrouped / recasted wherever necessary.
- The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Companies (Accounting Standards) Rules, 2006.
- Cash & Cash Equivalents as of March 31, 2012 and March 31, 2011 include restricted Cash & Bank balances. The restrictions are primarily on account of Bank balances held as margin money deposits against guarantees.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No.56485)

Kolkata

Dated: 21st May, 2012

Arvind Kr. Thakur
Director & CFO**S. L. Agrawal**
Company Secretary**S. N. Jhunjunwala** — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman**Laxmi Jhunjunwala**
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

INFORMATION IN AGGREGATE FOR SUBSIDIARIES PURSUANT TO GENERAL EXEMPTION PROVIDED BY
MINISTER OF CORPORATE AFFAIRS VIDE GENERAL CIRCULAR NO. 2/2011 DT. 08/02/2011

Particulars	Spin Intl. Inc.		OOO JJ Home		JJ Creations S.A.	
	US\$	(Rs.)	Rouble	(Rs.)	Euro	(Rs.)
1 Capital	1,000	50,840	3,500,000	5,950,000	61,500	4,168,470
2 Reserves	858,850	43,663,934	(3,146,167)	(5,348,484)	17,810	1,207,162
3 Total Assets	893,178	45,409,170	17,591,180	29,905,006	81,996	5,557,689
4 Total Liabilities (Excluding Capital & Reserves)	33,328	1,694,396	17,237,347	29,303,490	2,686	182,057
5 Details of Investment (Except in case of Investment in Subsidiaries)	—	—	—	—	—	—
6 Turnover	2,914,947	138,838,926	22,832,405	37,330,982	120,568	7,864,048
7 Profit Before Taxation	41,441	2,106,860	(233,152)	(396,358)	5,839	395,767
8 Provision for Taxation (a) Income Tax (Net) (b) Fringe benefit Tax	12,710	646,176	136,590	232,203	1,319	89,402
9 Profit After Taxation	28,731	1,460,684	(369,742)	(628,561)	4,520	306,366
10 Proposed Dividend	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, 2012 at US\$ = INR 50.84; EURO=INR 67.78; RBL\$=INR 1.70
- (2) Income & Expenditure in Foreign Currencies have been converted to INR at the Average Exchange Rate for the Financial Year 2011-12 at US\$ = INR 47.63 ; EURO=INR 65.225, RBL\$=INR 1.635

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman

Laxmi Jhunjunwala
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

Registered Office:
23C, Ashutosh Chowdhury Avenue,
Kolkata - 700 019
Date : 21st May, 2012

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

Auditors' Report

TO THE BOARD OF DIRECTORS OF J J EXPORTERS LIMITED 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 LIMITED and its subsidiaries as at 31st March, 2012, 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 an identified financial reporting frame work and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of foreign subsidiaries for the year ended 31st March 2012, whose financial statements reflects total assets Rs. 71,732,605/- as at 31st March, 2012 and total revenue of Rs. 18,52,33,845/- for the year ended 31st March, 2012. These financial statements have been complied/ certified 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 subsidiary is based solely on the report of the other auditors and 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 Clause no. 21 of Note 23 regarding accounting of certain derivative transactions in view of legal advice received, 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 its subsidiaries as at 31st March 2012.
- (b) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operation of J J Exporters Limited and 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 the J J Exporters Limited and its subsidiaries for the year ended on that date.

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants

Place : Kolkata
Date: 21st day of May, 2012

Partner
Membership No. 56485
ICAI Reg.No. 302111E

Consolidated Balance Sheet as at 31st March 2012

Particular	Notes	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
(1) Shareholder's Funds			
(a) Share Capital	1	92,622,500	92,622,500
(b) Reserves and Surplus	2	290,541,960	437,731,642
		383,164,460	530,354,142
(2) Minority Interest		788,544	646,290
(3) Non-Current Liabilities			
(a) Long-term borrowings	3 (a)	275,127,000	333,900,000
		275,127,000	333,900,000
(4) Current Liabilities			
(a) Short-term borrowings	3 (b)	310,320,546	269,661,638
(b) Trade payables	4	54,563,311	42,249,273
(c) Other current liabilities	5	81,509,335	45,602,707
(d) Short-term provisions	6	61,684,077	61,654,077
		508,077,269	419,167,695
Total		1,167,157,273	1,284,068,127
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	547,724,690	593,048,977
(ii) Capital Work in Progress		3,590,374	1,789,790
(b) Non-current investments	8 (a)	86,252,656	87,576,333
(c) Long term loans and advances	9	13,890,804	12,926,069
		651,458,524	695,341,169
(2) Current assets			
(a) Current investments	8 (b)	5,588,289	329,647
(b) Inventories	10	246,721,025	310,136,839
(c) Trade receivables	11	96,841,702	114,630,914
(d) Cash and Bank Balances	12	29,165,683	43,206,160
(e) Short-term loans and advances	13	127,860,356	108,950,289
(f) Other current assets	14	9,521,694	11,473,109
		515,698,749	588,726,958
Total		1,167,157,273	1,284,068,127

Significant Accounting Policies

23

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No. : 56485)

ICAI REG. No. : 302111E

Place : Kolkata

Date : 21st day of May, 2012

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

Laxmi Jhunjunwala

P. K. Singhi

P. K. Sarkar

M. L. Gulrajani

P. J. Sheth

Directors

Consolidated Statement of Profit and Loss for the year ended 31st March 2012

Particulars	Notes	For the Year ended 31st March 2012 Rs.	For the Year ended 31st March 2011 Rs.
I. Revenue from operations	15	685,376,398	712,035,259
II. Other Income	16	3,130,370	47,551,085
III. Total Revenue (I + II)		688,506,768	759,586,344
IV. Expenses:			
Cost of materials consumed & other manufacturing expenses	17	361,029,986	401,699,455
Purchase of traded goods	18	42,593,022	25,278,433
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	12,506,920	(3,804,556)
Employee benefit expenses	19	145,765,954	144,706,841
Finance costs	20	56,977,573	39,069,153
Depreciation and amortisation expenses	21	52,868,299	57,400,219
Other expenses	22	135,220,097	138,718,297
Total Expenses		806,961,851	803,067,842
V. Profit/ (Loss) before prior period adjustments, exceptional items and tax (III - IV)		(118,455,083)	(43,481,498)
VI. Prior Period Adjustments		44,596	1,737,070
VII. Profit/ (Loss) before exceptional items and tax (V - VI)		(118,499,679)	(45,218,568)
VIII. Exceptional Items (Refer Clause 21 of Note 23)		27,547,746	35,772,526
IX. Profit/ (Loss) before tax (VII - VIII)		(146,047,425)	(80,991,094)
X. Tax expense:			
(1) Current Tax (Wealth Tax)		997,757	2,971,685
(2) Deferred Tax		-	-
(3) Income tax for Earlier Years		290,003	20,271
XI. Profit/(Loss) after tax (IX - X)		(147,335,185)	(83,983,050)
Less: Minority Interest		95,048	21,749
XII. Profit/(Loss) after Tax and Minority Interest		(147,430,233)	(84,004,799)
XIII. Earning per equity share (Refer Clause 12 of Note 23)		(15.92)	(9.07)
Significant Accounting Policies	23		

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No. : 56485)

ICAI REG. No. : 302111E

Place : Kolkata

Date : 21st day of May, 2012

Arvind Kr. Thakur
Director & CFO**S. L. Agrawal**
Company Secretary**S. N. Jhunjunwala** — Executive Chairman**Rajiv Jhunjunwala** — Vice Chairman**Laxmi Jhunjunwala****P. K. Singhi****P. K. Sarkar****M. L. Gulrajani****P. J. Sheth**

Directors

Note : 1 SHARE CAPITAL	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Authorised Shares		
Equity shares		
10,000,000 (10,000,000) shares of Rs. 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up Shares		
1,257,500 (1,257,500) shares of Rs.10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (42,500) 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) shares of Rs. 10/- each allotted as fully Paid-Up, Bonus Shares by way of Capitalisation of Reserve	58,760,000	58,760,000
2,086,250 (2,086,250) shares of Rs. 10/- each allotted as fully Paid-Up, pursuant to Scheme of Amalgamation	20,862,500	20,862,500
Total	92,622,500	92,622,500

a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2012 Rs.	Nos.	As at 31st March 2011 Rs.
At the beginning of the period	9,262,250	92,622,500	9,262,250	92,622,500
Issued during the period	-	-	-	-
Outstanding at the end of the period	9,262,250	92,622,500	9,262,250	92,622,500

b. Aggregate number of Bonus share issued & share issued for consideration other than cash

Particulars	Nos.	As at 31st March 2012 Rs.	Nos.	As at 31st March 2011 Rs.
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	5,876,000	58,760,000	5,876,000	58,760,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,876,000	58,760,000	5,876,000	58,760,000

c. Details of Shareholders holding more than 5% Shares in the Company

Particulars	Nos.	As at 31st March 2012 % Holding in the Class	Nos.	As at 31st March 2011 % Holding in the Class
Equity Shares of Rs. 10 each				
Nupur Carpets Private Limited	2,600,241	28.07	2,566,212	27.71
J J Beneficiary trust	1,303,675	14.08	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	636,400	6.87	636,400	6.87

Note : 2 RESERVE & SURPLUS	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
a) Capital Reserve		
Opening Balance		
Pursuant to Scheme of Amalgamation	1,580,077	1,580,077
Capital subsidy received from WBIDC	7,934,000	7,934,000
Addition	-	-
Deduction	-	-
Closing Balance	9,514,077	9,514,077
b) Share Premium Account		
Opening Balance	48,203,900	48,203,900
Addition	-	-
Deduction	-	-
Closing Balance	48,203,900	48,203,900
c) Foreign Currency Reserve on Consolidation	377,615	137,064
d) General Reserve		
Opening Balance	344,400,000	344,400,000
Addition	-	-
Deduction	-	-
Closing Balance	344,400,000	344,400,000
e) Deficit (Profit & Loss Account)		
Opening Balance	35,476,601	119,481,400
Addition	-	-
Deduction	(147,430,233)	(84,004,799)
Closing Balance	(111,953,632)	35,476,601
Total	290,541,960	437,731,642

Note : 3 BORROWINGS	As at 31st March 2012 (Rs.)			As at 31st March 2011 (Rs.)		
	Non-Current (a)	Current (b)	Total (a+b)	Non-Current (a)	Current (b)	Total (a+b)
Term Loans						
Secured						
- From Bank	265,127,000	58,773,000	323,900,000	323,900,000	-	323,900,000
- From Body Corporate	10,000,000	-	10,000,000	10,000,000	-	10,000,000
Working Capital Loan From Bank						
Secured						
- Packing Credit Loan - INR	-	9,000,001	9,000,001	-	1,054,041	1,054,041
- Packing Credit Loan -Foreign Currency	-	178,643,106	178,643,106	-	195,426,613	195,426,613
- Bill Discounted With Banks-Foreign Currency	-	63,904,439	63,904,439	-	70,406,628	70,406,628
- Cash Credit From Banks	-	-	-	-	2,774,356	2,774,356
Total	275,127,000	310,320,546	585,447,546	333,900,000	269,661,638	603,561,638

- a) Working capital facilities with Indian Overseas Bank, Citi Bank NA and The Federal Bank Ltd are secured by first charge on Current Assets of the Company on pari passu basis.
- b) As collateral security, Indian Overseas Bank has second pari passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- c) As collateral security, The Federal Bank Ltd. has second pari passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore, (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal, (iv) Mortgage on Land & Building at 51/2, Hindustan Park, Kolkata and (v) Mortgage on flat at Santilla Apartment, Yelhanka, Bangalore. Further, the working capital limits of The Federal Bank Ltd. are also secured by personal guarantee of three Directors of the company.
- d) 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.
Doddaballapur	(i) First charge on Land and Building at Dodaballapur. (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. (iv) First charge on movable and immovable assets (except 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 building thereon. Plant and 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.

- e) Rupee Term Loan from a company has been secured as follows :

Purpose	Description of property
Working Capital Margin	Rupee term loan from a company is secured by 1st charge on office premises at KCI Plaza at 23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019 and at 1/2C, Baburam Ghosh Road, Kolkata - 700 040

- f) Terms of repayment of Term Loans

- From Bank				
Particulars	Term Loan I	Term Loan II	Term Loan III	Total
Name of the Bank	IDBI	IDBI	IDBI	
Amount outstanding as on 31st March 2012 & 31st March 2011 (Rs. in lakhs)	1188	351	1700	3239
Repayment Schedule				
Term Loan I	a) Rs. 3,00,00,000/- to be repaid in 12 equal monthly instalments of Rs. 25,00,000/- starting from 1st of April 2012. b) Rs. 4,08,00,000/- to be repaid in 12 equal monthly instalments of Rs. 34,00,000/- starting from 1st of April 2013. c) Rs. 4,80,00,000/- to be repaid in 12 equal monthly instalments of Rs. 40,00,000/- starting from 1st of April 2014.			
Term Loan II	a) Fully to be repaid in 48 equal monthly instalments of Rs. 7,31,250/- starting from 1st of April 2012.			
Term Loan III	a) Rs. 3,99,96,000/- to be repaid in 12 equal monthly instalments of Rs. 33,33,000/- starting from 1st of October 2012. b) Rs. 5,04,96,000/- to be repaid in 12 equal monthly instalments of Rs. 42,08,000/- starting from 1st of October 2013. c) Rs. 7,50,72,000/- to be repaid in 17 equal monthly instalments of Rs. 44,16,000/- starting from 1st of October 2014. d) Rest of Rs. 44,36,000/- to be repaid on 1st of March 2016.			
- From Other Parties	To be repaid latest by 24th of November 2015.			

Note : 4 TRADES PAYABLE	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Sundry Creditors for Goods and Services	54,563,311	42,249,273
Total	54,563,311	42,249,273

- a) The company has not received information from vendors regarding the status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence no disclosures thereof for outstandings are made in this account.

Note : 5 OTHER CURRENT LIABILITIES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Interest Accrued & Due	7,011,699	–
Interest Accrued but not due	5,017,541	410,301
Advance from Customers	26,204,467	22,872,469
Payable to employees	15,842,668	16,889,958
Other Payables	25,686,081	4,748,259
Book Bank Overdraft	1,243,787	–
Unclaimed Dividend	503,092	681,720
Total	81,509,335	45,602,707

Note: Other Payables includes advance taken of Rs. 2,00,00,000/- against sale of property.

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Provision For Income Tax & FBT	61,684,077	61,654,077
Total	61,684,077	61,654,077



Note : 7 Fixed Assets

PARTICULARS	COST				ACCUMULATED DEPRECIATION & AMORTISATION				NET BOOK VALUE	
	01.04.2011 Rs.	Addition Rs.	Deduction Rs.	31.03.2012 Rs.	01.04.2011 Rs.	Charge for The Year Rs.	Deduction/ Adjustment Rs.	31.03.2012 Rs.	31.03.2012 Rs.	31.03.2011 Rs.
Tangible Assets										
Free-hold Land	27,856,370	8,740,535	-	36,596,905	-	-	-	-	36,596,905	27,856,370
Leasehold Land *	3,732,737	-	3,366,356	366,381	185,889	12,213	-	198,102	168,279	3,546,848
Buildings & Structures	427,452,563	-	-	427,452,563	108,133,390	25,420,350	-	133,553,740	293,898,823	319,319,173
Leasehold Shed	539,732	-	-	539,732	539,732	-	-	539,732	-	-
Plant & Machineries	779,103,494	386,836	-	779,490,330	601,215,203	15,491,437	-	616,706,640	162,783,690	177,888,291
Office Equipments	6,383,899	111,019	-	6,494,918	3,668,442	440,321	-	4,108,763	2,386,155	2,715,457
Electronic Data Processing Machines	37,463,807	1,630,183	2,790,303	36,303,687	30,012,006	3,146,815	2,653,377	30,505,444	5,798,243	7,451,801
Electrical Installations	40,065,615	6,480	-	40,072,095	11,560,729	3,608,103	-	15,168,832	24,903,263	28,504,886
Air-conditioners	4,054,924	-	53,200	4,001,724	1,442,547	344,755	4,163	1,783,139	2,218,585	2,612,377
Fire Fighting Equipments	671,855	-	-	671,855	345,811	31,986	-	377,797	294,058	326,044
Furniture & Fittings	38,677,451	221,278	-	38,898,729	21,127,749	3,125,694	-	24,253,443	14,645,286	17,549,702
Motor Cars	11,922,690	-	-	11,922,690	7,064,319	1,186,015	-	8,250,334	3,672,356	4,858,371
Motor Van	508,681	-	-	508,681	247,518	33,885	-	281,403	227,278	261,163
Scoter & Cycles	433,702	-	-	433,702	378,377	10,822	-	389,199	44,503	55,325
Weighing Scales	380,155	-	-	380,155	276,986	15,903	-	292,889	87,266	103,169
Total	1,379,247,675	11,096,331	6,209,859	1,384,134,147	786,198,698	52,868,299	2,657,540	836,409,457	547,724,690	593,048,977
Previous Year	1,368,379,080	16,705,796	5,837,200	1,379,247,675	730,485,691	57,400,219	1,687,212	786,198,698	593,048,977	

* Leasehold Land of Rs. 33,66,356/- has been converted to Freehold Land.

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

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value Rs.	As at 01.04.11		Additions (cost)		Deductions (cost)		As at 31.03.12	
		No. of Shares/ Units	Value Rs.	No. of Shares/ Units	Value Rs.	No. of Shares/Units	Value Rs.	No. of Shares/ Units	Value Rs.
A) NON-CURRENT INVESTMENT									
I) Investment in Equity Instruments									
a) Others (Quoted)									
- J. J. Exporters Ltd. (Held by J. J. Exporters Beneficiary Trust as Treasury Share)	10	1,303,675	81,100,278	-	-	-	-	1,303,675	81,100,278
- ABG Infralogistics Limited	10	8,500	4,199,714	-	757,086	1,000	1,000	7,500	3,442,627
- ABG Shipyard	10	4,000	2,266,341	-	566,590	1,000	1,000	3,000	1,699,751
b) Others (Unquoted)									
- Ballygunge Services Pvt. Ltd.	10	1,000	10,000	-	-	-	-	1,000	10,000
Total (A)			87,576,333				1,323,676		86,252,656
B) CURRENT INVESTMENT									
I) Investment in Govt. Securities (Non-trade) (Unquoted)									
- National Savings Certificates			12,100	-	-	-	100		12,000
II) Investment in Equity Instruments (Non - trade)									
- Reliance Broadcast Network Ltd.	5	1,000	562,279	-	562,279	1,000	562,279		-
- R.S. Software (India) Ltd.	10	6,400	243,597	-	243,597	6,400	243,597		-
III) Investment in Mutual Funds (Non - trade)									
- Reliance Money Manager Fund					20,000,000	8,761	14,423,711		5,576,289
Total (B)			817,976		20,000,000		15,229,687		5,588,289
Total (A + B)			88,394,309		20,000,000		16,553,363		91,840,945
Less : Provision for fall in value of short term investment			(488,329)						-
Total :-			87,905,980						91,840,945
Aggregate value of Quoted Investments									
Aggregate value of Un-quoted Investments									
		As at 31st March 2012	As at 31st March 2011						
		Cost Rs.	Market Value Rs.	Cost Rs.	Market Value Rs.				
		91,818,945	23,499,372	88,372,209	22,440,143				
		22,100	NA	22,100	NA				

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
a) Loans :		
Unsecured, Considered Good		
- To Others	1,000,000	1,000,000
b) Advances to Staff (Unsecured - Considered Good)	1,296,051	–
c) Advance Against Capital Goods	6,051,752	6,657,584
d) Security Deposits :		
Unsecured, Considered Good	5,543,001	5,268,485
Total	<u>13,890,804</u>	<u>12,926,069</u>

Note : 10 INVENTORIES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Raw Material {Includes Stock in transit Rs. 5,662,445/- (Rs. Nil)}	59,374,651	105,670,748
Work-in-progress	67,334,060	72,986,322
Finished Goods	107,624,310	114,478,968
Stores	12,135,917	16,746,360
Packing Materials	252,087	254,441
Total	<u>246,721,025</u>	<u>310,136,839</u>

Note : 11 TRADE RECEIVABLES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Outstanding for a period exceeding six months		
a) Secured, considered good	–	–
b) Unsecured, considered good	2,629,378	6,798,736
c) Doubtful	–	–
	<u>2,629,378</u>	<u>6,798,736</u>
Others :		
a) Secured, Considered Good	–	–
b) Unsecured, Considered Good	94,212,324	107,832,178
c) Doubtful	–	–
	<u>94,212,324</u>	<u>107,832,178</u>
Total	<u>96,841,702</u>	<u>114,630,914</u>

Note : 12 CASH & BANK BALANCES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Balances With Banks		
a) In Current Account	10,320,761	2,982,200
b) In Foreign Currency Account	2,428,703	2,671,811
c) In Fixed Deposit Account	508,853	28,038,350
d) In Margin Deposit Account	9,588,116	4,321,598
e) In Unpaid Dividend Account	513,514	693,191
	<u>23,359,947</u>	<u>38,707,150</u>
Cash & Cash Equivalents		
a) Cash in Hand	5,680,609	4,459,718
b) Foreign Exchange in Hand	125,127	39,292
	<u>5,805,736</u>	<u>4,499,010</u>
Total	<u>29,165,683</u>	<u>43,206,160</u>

Note :13 SHORT TERM LOANS & ADVANCES	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Advance Income tax and Other taxes	79,836,143	79,978,330
Advances recoverable in Cash or in kind		
Considered Good	48,024,213	28,971,959
Considered Doubtful	475,387	475,387
Less: Provision for Doubtful Advance	(475,387)	(475,387)
	<u>48,024,213</u>	<u>28,971,959</u>
Claim Receivable	14,597,401	35,772,526
Less: Provision	(14,597,401)	(35,772,526)
	<u>-</u>	<u>-</u>
Total	<u>127,860,356</u>	<u>108,950,289</u>

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
Interest accrued	835,815	2,455,352
Duty draw back receivable	2,325,803	1,922,478
DEPB entitlements receivable	82,984	460,726
Focus product License in hand	3,018,038	1,682,032
Tufs subsidy receivable	3,259,054	4,952,521
Total	<u>9,521,694</u>	<u>11,473,109</u>

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
SALE OF PRODUCTS		
Export Sales		
Fabrics (Silk)	526,747,368	610,293,267
Garments & Made-Ups	83,758,496	70,199,677
Fabrics (Cotton/Wollen)	9,011,185	3,279,661
(A)	<u>619,517,049</u>	<u>683,772,605</u>
Deemed Export		
Silk Fabrics	5,598,346	690,624
Cotton Fabrics	4,373	–
(B)	<u>5,602,719</u>	<u>690,624</u>
Local Sales/Realisation	(C) 22,475,784	15,427,132
Design & Job Charges	(D) 1,869,077	1,487,757
(A + B + C + D)	<u>649,464,629</u>	<u>701,378,118</u>
Export Incentives		
Duty Exemption Pass-book Entitlements	392,144	423,492
Duty Drawback	8,719,594	6,977,878
Focus Product Incentive Schemes	34,211,741	3,255,771
	<u>43,323,479</u>	<u>10,657,141</u>
Less: Refund of Duty Drawback	<u>(7,411,710)</u>	–
	<u>35,911,769</u>	<u>10,657,141</u>
Total	<u>685,376,398</u>	<u>712,035,259</u>

Local Sale Includes retail showroom sale Rs. 9,921,331/- (Rs. 10,758,127/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Interest	915,773	1,912,787
Dividend on Long-term Investments	77,059	96,500
Dividend on Short-term Investments	–	2,124
Rent	42,000	–
Profit/ (Loss) on Sale of Fixed Asset (Net)	(124,390)	41,701,686
Profit/ (Loss) on Sale of Long term Investment (Net)	(654,364)	–
Profit/ (Loss) on Sale of Short term Investment (Net)	161,136	(6,077)
Provision for fall in value of investment written back	488,329	121,381
Miscellaneous Receipts & Adjustments (Net)	2,224,827	3,722,684
Total	<u>3,130,370</u>	<u>47,551,085</u>

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Raw Material Consumed	284,500,172	323,809,880
Stores Consumed	12,604,118	13,037,917
Power & Fuel	34,031,232	40,935,616
Stitching, Embroidery & Designing Charges	20,993,657	15,062,190
Weaving, Dyeing, Printing & Processing Expenses	7,529,803	6,711,460
Carraige Inward	1,371,004	2,142,392
Total	<u>361,029,986</u>	<u>401,699,455</u>
Raw material consumption		
<i>Fabrics</i>	68,768,600	64,172,287
<i>Yarn</i>	208,580,516	249,210,244
<i>Others</i>	7,151,056	10,427,349
	<u>284,500,172</u>	<u>323,809,880</u>

Note : 18 (INCREASE)/DECREASE IN INVENTORIES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Inventories at the end of the year		
Work in Progress	67,334,060	72,986,322
Finished goods	107,624,310	114,478,968
	<u>174,958,370</u>	<u>187,465,290</u>
Inventories at the beginning of the year		
Work in Progress	72,986,322	64,060,619
Finished goods	114,478,968	119,600,115
	<u>187,465,290</u>	<u>183,660,734</u>
Total	<u>12,506,920</u>	<u>(3,804,556)</u>
Details of Purchase of Traded Goods		
<i>Silk Fabric</i>	39,179,831	19,600,490
<i>Cotton Fabric</i>	677,308	931,069
<i>Others (Handicrafts & Showroom)</i>	2,735,883	4,746,874
Total	<u>42,593,022</u>	<u>25,278,433</u>

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Salary, wages, Bonus, Gratuity & allowances	128,492,461	128,276,451
Contribution to Provident Fund , ESI & Other Fund	11,770,006	11,850,897
Staff Welfare Expenses	5,503,487	4,579,493
Total	<u>145,765,954</u>	<u>144,706,841</u>

Note : 20 FINANCE COST	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Interest Expense	47,607,831	39,884,409
Exchange differences arising from Foreign Currency borrowings to the extent that they are regarded as an adjustments to interest costs	9,369,742	(815,256)
Total	56,977,573	39,069,153
Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Depreciation	52,868,299	57,400,219
Total	52,868,299	57,400,219
Note : 22 OTHER EXPENSES	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
Rent	3,093,634	4,605,336
Printing & Stationery	2,029,165	2,769,505
Postage, Telegram & Telephone	5,400,900	5,958,909
Rates & Taxes	2,587,488	4,236,558
Insurance	1,171,924	1,236,342
Travelling Expenses		
Foreign Travelling	8,744,338	11,074,633
Inland Travelling	1,705,962	2,522,078
Conveyance	7,027,292	6,842,594
Payment to Auditors		
As Auditors	774,375	615,000
For Taxation matters	130,298	93,001
For Certification/Limited review	274,427	69,000
For Reimbursement of Expenses	65,997	97,595
Professional Fees	4,423,961	11,565,464
Director's Meeting Fees	512,500	337,500
Director's Remuneration	4,305,940	4,536,946
Filing Fees	21,292	–
Commission & Brokerage	27,219,696	27,899,176
Selling & Distribution Expenses	18,159,560	14,959,033
Repairs & Maintenance		
To Buliding	1,037,585	1,203,767
To Machinery	3,207,930	4,616,255
To Others	2,634,974	2,832,746
Vehicle Maintenance	2,128,549	1,917,732
Export Credit Guarantee Premium	2,633,956	2,648,888
Export Promotion Expense	217,803	103,661
Export Expense	437,283	348,887

Trade Fair Expense (Net)	3,582,949	2,599,630
Service Charge	4,652,379	5,039,327
Rebate & Discount	1,168,059	1,615,200
Net (Gain)/ Loss on Foreign Currency transaction and translation	3,358,032	(773,580)
Bank Charges	4,736,300	4,122,876
Miscellaneous Expense	17,775,549	13,024,238
Total	<u>135,220,097</u>	<u>138,718,297</u>
Selling & Distribution Expenses includes —		
<i>Advertisement</i>	643,682	1,212,798
<i>Samples (Net) *</i>	13,715,295	8,875,622
<i>Packing Expenses</i>	1,921,612	2,455,479
<i>Freight & Delivery Charges</i>	1,878,971	1,907,081
<i>Market Survey Expense</i>	—	508,053
	<u>18,159,560</u>	<u>14,959,033</u>

* Realisation on account of samples from foreign buyers have been credited to sample expenses account.



NOTE-23 : Significant Accounting Policies and Other notes
1 Subsidiaries

The consolidated financial statement present the consolidated account of J J EXPORTERS LIMITED with the following subsidiaries :-

Name of the Subsidiary	Country of Incorporation	Percentage of Holding
Spin International INC	U.S.A.	100.00%
OOO 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 of 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.

- 3 Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances)

- 4 Contingent Liabilities not provided for :

- a) Letters of Guarantee.
b) Income Tax pending in appeals for earlier years
c) Case pending in Labour Court.
d) Sales tax claim under Appeal (For this, management expects no liability)

	31.03.2012 Rs.	31.03.2011 Rs.
	294,675	NIL
	5,614,200	7,070,200
	58,608,571	151,091,809
	159,200	159,200
	124,119,951	1,666,677

- 5 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 contracts reduces the risk or cost to the company and the company does not use the foreign exchange contracts for trading or speculation purposes.

Forward exchange contracts outstanding as at the year end:

		31.03.2012		31.03.2011	
Currency Pair	Currency	Buy	Sell	Buy	Sell
USD/INR	\$	Rs. 225,266,250	\$ 4,500,000	Rs. 95,246,250	\$ 2,000,000
EURO/USD	€	–	–	\$280,940	€ 200,000
GBP/USD	£	–	–	\$161,200	£ 100,000

- 6 Exchange gain/(Loss) amounting to Rs. 3,090,383/- (Rs. 2,973,921) in respect of Forward Exchange Contracts for unexpired period to be recognised in subsequent period in accordance with Accounting Standard 11.

- 7 In respect of the equity shares of Erstwhile J.J. Spectrum Silks Ltd. held by the Company (hereinafter referred to as the transferee company), 1,303,675 shares which has been issued by the transferee company in terms of scheme, 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.

- 8 Interest include Rs. 41,991,267/- (Rs. 31,273,828/-) on term loan

- 9 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.

- 10 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.

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

Name of the related party**Relationship****a) Key Managerial Personnel**

- | | |
|-----------------------------|--|
| i) Sri S.N. Jhunjunwala | Executive Director & Executive Chairman |
| ii) Sri Rajiv Jhunjunwala | Executive Director & Vice-Chairman |
| iii) Mrs. Laxmi Jhunjunwala | Director |
| iv) Sri Arun Kumar Shraff | Whole Time Director (resigned with effect from 07-10-2011) |
| v) Sri Arvind Kumar Thakur | Whole Time Director & CFO (with effect from 01-11-2011) |

b) Relative of Key Managerial Personnel

- | | |
|--|--|
| i) Mrs. Neha Jalan, Designing Consultant | Daughter of Mr. Rajiv Jhunjunwala, Vice-Chairman |
| ii) Mrs. Kavita Jhunjunwala | Wife of Mr. Rajiv Jhunjunwala, Vice-Chairman |

Name of Transaction:-	31.03.2012		31.03.2011	
	In Respect of (a) above	In Respect of (b) above	In Respect of (a) above	In Respect of (b) above
Remuneration paid	Rs. 5,016,844	Rs. 924,000	Rs. 4,536,946	Rs. 792000

- 12 Earning per share:-

- i) Net profit after tax available for equity shareholders
ii) Weighted average Number of Equity Shares of Rs. 10/- each outstanding during the year
iii) Basic/Diluted Earning Per Share

	2011-12	2010-11
i) Net profit after tax available for equity shareholders	Rs. (147,430,233)	Rs. (84,004,799)
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	(15.92)	(9.07)

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

- 14 Wholetime Directors Remuneration :

- Salaries and Bonus
Contribution to P.F. and other Funds
Other Perquisites
Gratuity (since reimbursed by Gratuity Fund)
Total

	31.03.2012 Rs.	31.03.2011 Rs.
Salaries and Bonus	3,850,380	3,958,940
Contribution to P.F. and other Funds	462,048	466,788
Other Perquisites	416,312	111,218
Gratuity (since reimbursed by Gratuity Fund)	288,104	-
Total	5,016,844	4,536,946

- 15 Balances lying with Central Excise Department included in Loans and Advances.

- 16 Land measuring about 2.07 acres duly conveyed in the name of one of the unit of the company by the State Government has been disputed by the original owners and the matter is subjudiced.

- 17 Profit and Loss on sale of Investment excludes Rs. 1,404/- (Rs. 1,845/-) on account of security transaction tax paid on such transactions.

- 18 There is no amount due to be credited to Investor's Education and Protection Fund as on 31.03.2012.

- 19 Minority Interest consists of the following

- i) Share Capital
ii) Debit/Credit Balance of P & L A/c
iii) Profit During the year

	2011-12 (Rs.)	2010-11 (Rs.)
i) Share Capital	625,271	578,131
ii) Debit/Credit Balance of P & L A/c	68,225	46,410
iii) Profit During the year	95,048	21,749

- 20 Interest on term loan is net of Rs. 6,308,883/- (Rs. 6,296,955/-) of TUFSS subsidy.
- 21 Claims against certain Derivative transactions entered with the Bank during 2007-2008 have not been acknowledged by the company. Claims of Rs. 7.86 crores (excluding Interest) against these transactions which have been contested and not provided by the management, as the matter is subjudice. However, during the year, out of court settlement has been entered with one of the bank and amount paid of Rs. 27,547,746/- is shown as exceptional item in the Statement of Profit & Loss.
- 22 Certain Non Current Investments are strategic in nature and as per the management fall in value is temporary in nature, hence it has not been provided in these accounts.
- 23 **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 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) Principle 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.

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 realisations.
- 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 on utilisation basis as per the scheme. Focus Product Credit is booked as on the basis of license received.

D) Fixed Assets and capital expenditure:

- i) 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 Fluctuations is being given on loans taken for acquiring the same.
- ii) 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, 1956 save and except, in case assets of Unit - J J Spectrum Silk and Spin International INC, a subsidiary company which have been depreciated on Straight line method 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 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 & 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:

Non Current Investments are stated at cost. Provisions which had been made for diminution in value other than temporary in nature have been written back due to sale of Investments. Current Investments categorywise are valued at cost or market price 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 rate save & except where forward contract has been booked which is being recorded at relevant rate. Premium on forward contract are being accounted for during life of the 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.
- 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 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 Statement of Profit and Loss for 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 Fund are determined under the relevant Schemes and/or statute and charged to Statement of Profit and Loss."

"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 profit & loss account. 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 by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of Notes to the Accounts. Contingent Assets are not provided for or disclosed.

M) Government Grants :

State capital investment subsidy has been credited to capital reserve account on receipt basis, in accordance with Accounting Standard 12.

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 necessarily 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 and include exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

- 24** Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statement. During the year ended 31st March 2012, the revised schedule VI notified under Companies Act, 1956 has become applicable and the same is being followed by the company. The company has reclassified previous year figures to conform to this year's classification.

The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No. : 56485)

ICAI REG. No. : 302111E

Place : Kolkata

Date : 21st day of May, 2012

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

S. N. Jhunjunwala — *Executive Chairman*
Rajiv Jhunjunwala — *Vice Chairman*

Laxmi Jhunjunwala
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

Consolidated Cashflow Statement for the year ended 31st March 2012

	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(1,460.47)	(809.91)
Adjustment for:		
Exceptional Items	-	357.72
Depreciation	528.68	574.00
Interest Received	(9.16)	(19.13)
Interest Paid	569.78	390.69
(Profit)/Loss on Sale of Investments	4.93	0.06
(Profit)/Loss on Sale of Fixed Asset	1.24	(417.02)
Provision for fall in Value of Current Investment	(4.88)	(1.21)
Dividend Received	(0.77)	(0.98)
Operating Profit before Working Capital Changes	(370.65)	74.22
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	123.14	(66.91)
Increase/(Decrease) in other Current Liabilities	160.85	190.20
Decrease/(Increase) in Trade Receivables	177.89	132.35
Decrease/(Increase) in Inventories	634.16	(301.49)
Decrease/(Increase) in Long-Term Loans and Advances	(17.65)	(47.15)
Decrease/(Increase) in Short-Term Loans and Advances	(191.93)	(252.32)
Decrease/(Increase) in other Current Assets	19.52	40.10
Cash generated from operations/(used in) Operations	535.33	(231.00)
Direct Taxes Paid (Net)	(9.75)	(16.46)
Net Cash from Operating Activities	525.58	(247.46)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Including Capital work in Progress)	(86.57)	(145.58)
Sale of Fixed Assets (Including advance taken for Sale - Net)	200.62	458.52
Loan Given (-) /Refund received (+)	-	-
Effect of Exchange rate change on Consolidation	2.15	1.62
Purchase of Investments (Including Share Application Money)	(200.00)	-
Sale of Investments	160.60	14.70
Interest Received	9.16	19.12
Dividend Received	0.77	0.99
Net Cash from Investing Activities	86.73	349.37

Consolidated Cashflow Statement for the year ended 31st March 2012 (Contd.)

	For the year ended 31st March 2012 Rs.	For the year ended 31st March 2011 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) from Long term Borrowings	–	100.00
Proceeds/ (Repayment) from Short term Borrowings	(181.14)	252.68
Interest paid	(569.77)	(390.69)
Dividend Paid	(1.79)	(1.50)
Net Cash from Financing Activities	(752.70)	(39.51)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(140.39)	62.40
Cash and Cash Equivalents at the beginning of the period	432.06	369.66
Cash and Cash Equivalents at the end of the period	291.67	432.06
Components of Cash & Cash Equivalents		
Balances with Banks		
In Current Account	103.21	29.82
In Foreign Currency Account	24.29	26.72
In Fixed Deposit Account	5.09	280.38
In Margin Deposit Account	95.88	43.22
In Unpaid Dividend Account	5.14	6.93
Cash in Hand	58.06	44.99
	291.67	432.06

Note:

- Previous year's figures have been regrouped / recasted wherever necessary.
- The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Companies (Accounting Standards) Rules, 2006.
- Cash & Cash Equivalents as of March 31, 2012 and March 31, 2011 include restricted Cash & Bank balances. The restrictions are primarily on account of Bank balances held as margin money deposits against guarantees.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No. : 56485)

ICAI REG. No. : 302111E

Place : Kolkata

Date : 21st day of May, 2012

Arvind Kr. Thakur
Director & CFO

S. L. Agrawal
Company Secretary

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman

Laxmi Jhunjunwala
P. K. Singhi
P. K. Sarkar
M. L. Gulrajani
P. J. Sheth

Directors

Date:21.05.2012

To
The Members

Re : ***Intimation of email address for receipt of documents electronically***

We refer to our communication of 14th June, 2011 as part of our last year's Annual Report requesting the members holding shares in electronic form to update their email id with their Depository Participant in case the same was not already intimated and to the members holding shares in physical form to intimate the same to the Registrar and Share Transfer agents of the Company, to enable the Company to effect electronic delivery of documents including the Annual Report, other notices of meetings/postal ballot etc. It is regretted that the same is still pending in respect of many members.

In order to support the 'Rs.Green Initiative' taken by the Ministry of Corporate Affairs, Government of India(MCA) vide its Circular Nos.17/2011 dt.21.04.2011 and 18/2011 dtd.29.04.2011, the members are once again requested to update their email Id with their DP in cases where the shares are held in electronic form and to inform the same to the Registrar of the Company at following address in case the shares are held in physical form.

M/s. MCS Limited
77/2A, Hazra Road,
Kolkata - 700 029
Phone : (033) 2454 1892-1893
E-mail : mcskol@rediffmail.com

Co-operation from all the members is solicited.

Thanking you.

For **J. J. Exporters Ltd.**

S. L. Agrawal
Company Secretary

J. J. Exporters Ltd.

**ATTENDANCE
SLIP**

Registered Office :
23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019
39th Annual General Meeting - Tuesday, 14th August, 2012
at 4.00 P.M. at Kalakunj Hall, 48, Shakespeare Sarani, Kolkata - 700 017

DP Id. *

Client Id. *

Reg. Folio No.

A. Name & Address of the Registered Shareholders
B. Name & Address of the Proxy (wherever applicable)

* Applicable if shares are held in electronic form.

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

I hereby record my presence at the 39th Annual General Meeting of the Company at Kalakunj Hall, 48, Shakespeare Sarani, Kolkata - 700 017 on Tuesday, 14th August, 2012.

Member's / Proxy's Signature

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

----- (T E A R H E R E) -----

J. J. Exporters Ltd.

FORM OF PROXY

Registered Office :
23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019

I/We

of.....being a member/members

of J. J. Exporters Limited hereby appoint..... offailing

him/her of

as my/our proxy to attend and vote for me/us on my/our behalf at the 39th Annual General Meeting of the Company to be held on Tuesday, 14th August, 2012 at 4:00 P.M. and at any adjournment thereon.

Signed this day of2012.

DP Id. *

Client Id. *

Reg. Folio No.

Signature

Affix a Rs. 1/- Revenue Stamp
--

* Applicable if shares are held in electronic form.

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

BOOK POST



JJ exporters Ltd.

23C, Ashutosh Chowdhury Avenue

KCI Plaza, 2nd Floor, Kolkata 700019, India

Phone: +91 33 2461 4775, Fax: +91 33 2461 4780

Email: jjemail@vsnl.com, Website: www.jjexporters.com