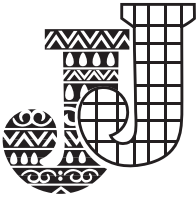


Annual Report |
2015-2016

JJ Exporters Limited





BOARD OF DIRECTORS

Mr. S. N. Jhunjunwala
Executive Chairman

Mr. Rajiv Jhunjunwala
Vice-Chairman

Mr. A. B. Chaturvedi
Director

Mr. H. S. Senapati
Independent Director

Mr. Rahul Singhi
Independent Director

Ms. Dipali Sharma
Independent Director

BANKERS

Indian Overseas Bank
IDBI Bank Ltd.

AUDITORS

- 1. Statutory**
Salarpuria Jajodia & Co.
Chartered Accountants
7, Chittaranjan Avenue
Kolkata - 700 072
- 2. Internal**
A. Singhi & Co.
Chartered Accountants
Martinburn House,
4th Floor, Room No. 37
1, R. N. Mukherjee Road
Kolkata-700 001

REGISTERED OFFICE

Mukhtar Tower, 2nd Floor
59, Elliot Road
Kolkata - 700 016, West Bengal
Phone : (033) 2265 4776/4071 3125
Fax No. 033 2265 4780

REGISTRAR & SHARE TRANSFER AGENT

M/s. MCS Share Transfer Agent Ltd.
12/1/5, Manoharpukur Road, Kolkata - 700 026
Phone : (033) 4072 4051-4053,
Fax : (033) 4072 4050
E-mail : mcssta@rediffmail.com

BHAGALPUR OFFICE / WORKS

Bounsi Road, Bhagalpur - 812 002, Bihar
Phone : (0641) 242 0829 & 242 3431

BANGALORE OFFICE / WORKS

No.1040, West of Chord Road, Rajajinagar,
5th Block, Bangalore - 560 010, Karnataka.
Phone : (080) 4151 6045/46

J. J. SPECTRUM SILK

Mouza-Gangarampur, Post: Bishnupur
Dist. 24 Parganas (S), West Bengal
Phone : (033) 2470 9861

**ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH, 2016**

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty Third Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

	(₹ in Lacs)	
	2015-16	2014-15
Profit before Tax, Depreciation and Extra Ordinary Items	(1436.00)	(123.38)
Less : Depreciation	332.53	441.16
Profit/(Loss) before Tax and extra ordinary items	(1768.57)	(564.54)
Less : I.T. for earlier year	6.27	-
Less : Prior Period Items	0.91	0.56
Profit/(Loss) before Extra Ordinary Items	(1775.71)	(565.10)
Extra Ordinary Items	-	299.75
Profit/(Loss) after Tax	(1775.71)	(265.35)
Transfer from General Reserve	-	3444.00
Add : Balance brought forward from Previous year	(1474.90)	(4653.55)
Balance in Profit & Loss Account	(3250.61)	(1474.90)

BUSINESS AND PERFORMANCE

The Company during the year under review is no better than previous year. The sales revenue was down at Rs.1376.79 lacs as compared to Rs.1733.32 lacs during the previous year. The loss before extra ordinary item was higher at Rs.1775.71 lacs as compared to Rs.565.10 lacs in the previous year. The main reason for the poor performance was due to Company's main unit,

J. J. Spectrum Silk continuing to be under temporary closure during the year owing to uneconomic operation.

CURRENT YEAR'S OUTLOOK

The outlook of the silk market globally for the current year also does not look any different than the one during the year under review. Taking this into account, your directors have decided after due market research to concentrate more on the additional streams of revenue apart from the core business of the company, which includes export of linen and polyester fabrics, which would not require additional infrastructure but shall add to the top line of the company.

In order to improve the working of the company and generate more business your directors have strengthened the design department, for the existing core business of silk along with linen and polyester fabrics. It has also been decided to actively participate in more trade fairs and revive contacts with our old customers. Your directors continue to control expenditure. With all these measures your directors are hopeful of improvement in the current year.

REFERENCE TO BIFR

The financial performance of the Company has continued to suffer set back since last five years mainly due to drastic drop in demand of silk fabrics and made ups across the globe resulting in the complete erosion of net worth of the Company during the year.

In view of the above, the Company is required to make an application to BIFR for rehabilitation after the Annual General Meeting.

SETTLEMENT OF DUES OF THE BANKS

You are aware that IDBI Bank Ltd. had approved One Time Settlement (OTS) of their dues. The Company had paid the initial payment of Rs.500 lacs as per the terms of the sanction letter. The Company had approached IDBI Bank Ltd to extend the dates for payment of balance amount of the settlement. However, the Company could not pay the settlement amount even on the dates requested by the Company as it could not sell the properties despite best efforts. However, your Directors have once again requested IDBI to extend the time up to 30th September, 2016 to pay the balance settlement amount. In the meantime, IDBI

cancelled the OTS and has issued notice u/s.13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002, which has been adequately replied by the Company.

The other bank, viz Indian Overseas Bank (IOB) has also approved the OTS of its dues during the year. The initial amount required to be paid in terms of the settlement, has been paid by the Company and the Company has requested to allow more time to pay the balance amount. However, the bank has declined to accept Company's request for more time. The bank has filed petition in Debt Recovery Tribunal for recovery of dues.

Your Directors are trying to resolve the matter.

SHARE CAPITAL

The Company has not issued any shares with differential voting rights, sweat equity shares or employee stock option during the year under review. The Company has also not made any provision for purchase of its own shares by employees or trustees for the benefit of employees.

DIRECTORS

Ms. Puja Jhunjhunwala, an independent Director, resigned from the Board w.e.f. 18.05.2016. The Board places its appreciation on record for the valuable services rendered by Ms. Jhunjhunwala during her brief association with the Company.

Necessary declaration as required under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence and are eligible to continue as an Independent Director have been received from Mr. Rahul Singhi, Mrs. Dipali Sharma and Mr. H. S. Senapati, the Independent Directors on the Board.

Mr. S. L. Agrawal, Company Secretary and Compliance Officer resigned from the services of the Company during the year. Mr. A. B. Chaturvedi was appointed as Compliance Officer w.e.f. 01.02.2016.

Mr. Rajiv Jhunjhunwala and Mr. A. B. Chaturvedi, Directors, retire by rotation and being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting.

A meeting of Independent Directors was held during the year where performance of non-independent Director was evaluated. The performance of Independent Directors was evaluated by the Board. The performance of an individual director is evaluated based on the performance of the department/unit of which he is the functional head. The performance of the Board as a whole or its committee is evaluated based on the performance of the Company.

POLICIES

The Company has framed a familiarization programme for Independent Directors and accordingly programmes are organized on continuous basis by the Company. Details of the programme are available on Company's website, www.jjexporters.com

The Company has formulated a policy for determining material subsidiaries. Details of the policy are available on Company's website, www.jjexporters.com

In compliance with Regulation 30(4) of the SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015, the Company has framed a policy for determination of materiality of events/information. The policy and contact details of the person responsible for determining the materiality is available on Company's website, www.jjexporters.com

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 the Companies Act, 2013. The Board of Directors of the Company as at 31st March, 2016 consisted of two Promoter Executive Directors, four Non-Promoter Non-Executive Directors and one Non Promoter - Executive Director.

During the year under review, 4(four) Board Meetings were held on 29.05.2015, 31.07.2015, 06.11.2015 & 22.01.2016.

Composition of the Board of Directors, details of Board meeting held during the year and other details are as under :

Name	Category	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 29.09.2015
			As Chairman	As Member		
Mr. S. N. Jhunjhunwala	Promoter, Executive	1	None	None	4	Yes
Mr. Rajiv Jhunjhunwala	Promoter, Executive	None	None	None	4	Yes
Mr. P. K. Sarkar*	Non-Executive Independent	None	None	None	1	N.A.
Mr. A. B. Chaturvedi	Non Promoter-Executive Director	None	None	None	4	Yes
Mr. H. S. Senapati	Non-Executive Independent	None	None	None	4	No
Mr. Rahul Singhi	Non-Executive Independent	None	None	None	3	No
Ms. Dipali Sharma	Non-Executive Independent	None	None	None	3	Yes
Ms. Puja Jhunjhunwala**	Non-Executive Independent	None	None	None	3	No

* Ceased to be Director (deceased) w.e.f. 31.07.2015

**Ceased to be a Director w.e.f. 18.05.2016

AUDIT COMMITTEE

The Audit Committee of the Board comprised of five Independent Non-Executive Directors i.e. Mr. P. K. Sarkar, Mr. Rahul Singhi, Mr. H. S. Senapati, Ms. Puja Jhunjhunwala and Ms. Dipali Sharma. Consequent upon the death, Mr. P. K. Sarkar ceased to be a member of the committee w.e.f. 16.07.2015. Further, consequent upon resignation of Ms. Puja Jhunjhunwala w.e.f. 18.05.2016, she also ceased to be a member of the Committee. Now, the Committee consists of Mr. H. S. Senapati, Mr. Rahul Singhi and Ms. Dipali Sharma. Mr. Rahul Singhi is the Chairman of the Committee. The committee met four times during the year under review on 29.05.2015, 31.07.2015, 06.11.2015 & 22.01.2016. The attendance of the members at these meetings was as follows :

Sl. No.	Name of the Members	Status	No. of Meetings attended
1.	Mr. P. K. Sarkar	Chairman (till 15.07.15), Independent Non-Executive (since deceased)	1
2.	Mr. H. S. Senapati	Member Independent Non-Executive	4
3.	Mr. Rahul Singhi	Chairman, Independent Non-Executive (from 31.07.2015)	3
4.	Ms. Dipali Sharma	Member Independent Non-Executive	3
5.	Ms. Puja Jhunjhunwala	Member Independent Non-Executive (Since resigned)	3

VIGIL MECHANISM AND WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has framed vigil mechanism and whistle blower policy for Directors and employees to report genuine concern. The details are available on Company's website, www.jjexporters.com.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Policy in line with the requirements of The Sexual Harassment of women at the work place (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees etc.) are covered under this Policy.

The Company has not received any complaint on sexual harassment during the year 2015-16.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the contracts and arrangements entered into with related parties during the year were at arm's length basis. Details of the same are given in Form AOC-2 and is annexed to the report. (Annexure -1)

SECRETARIAL AUDIT REPORT

Secretarial Audit Report given by M/s. MR & Associates, Company Secretaries in practice, is annexed to the report. (Annexure –2)

RISK MANAGEMENT POLICY

In compliance of the requirements of Companies Act, 2013 and clause 49 of the listing agreement, the Company had constituted a Risk Management Committee during the previous year. The Committee comprises of two Promoter Executive Directors, Mr. S. N. Jhunjhunwala and Mr. Rajiv Jhunjhunwala and one Non-promoter Executive Director Mr. A. B Chaturvedi. Mr. S. N. Jhunjhunwala is the Chairman of the Committee. The Company has laid down procedures to inform the Board Members about the risk assessment and minimization 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 making 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.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No.MGT-9 is annexed to the report and forms a part of the Board's report. (Annexure – 3)

NOMINATION AND REMUNERATION COMMITTEE

The Company had formed a Nomination and Remuneration Committee during the previous year. The Committee identifies and recommends suitable candidates as Members of Board, Key managerial personnel and other Senior Management. The remuneration policy of the Company aims to ensure fair remuneration for the employees based on their performance. It also ensures to eliminate discrimination while fixing the remuneration of various employees. The committee met two times during the year under review on 29.05.2015 & 22.01.2016. The attendance of the members at these meetings was as follows :

Sl. No.	Name of the Members	Status	No. of Meetings attended
1.	Mr. P. K. Sarkar	Chairman (till 15.07.15), Independent Non-Executive (since deceased)	1
2.	Mr. Rahul Singhi	Chairman, Independent Non-Executive (from 31.07.2015)	2
3.	Mr. H. S. Senapati	Member Independent Non-Executive	2
4.	Ms. Puja Jhunjhunwala	Member Independent Non-Executive (Since resigned)	–

OVERSEAS SUBSIDIARIES AND JOINT VENTURE

The Company has one subsidiary viz. Spin International Inc at New York. The performance of the said subsidiary viz. Spin International Inc. was, by and large, satisfactory during the year.

RETAIL SHOWROOM

The performance of Company's retail showroom 'ONSET' at Kolkata could not carry the cost of the showroom. It was, therefore, decided to close the showroom in Hindustan Park and shift it to Bright Street.

DIVIDEND

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

DIRECTORS RESPONSIBILITY STATEMENT

As required under section 134(3)(c) of the Companies Act, 2013, your Directors confirm that

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and of loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

In view of decline in the net worth and sales revenue of the Company below the threshold limit, the Company is no more required to prepare and annex a report on Corporate Governance, to the Directors Report vide Circular No.CIR/CFD/POLICY CELL/7/2014 dated 15.09.2014 of SEBI.

AUDITORS

M/s. Salarpuria Jajodia & Co., Chartered Accountants, Kolkata, bearing Registration No.302111E, were appointed as auditors of the Company for three years at the 41st Annual General Meeting held on 29.09.2014, to hold office till the conclusion of the 44th Annual General Meeting to be held in the year 2017 subject to ratification in each year. However, a certificate has been obtained from them that their appointment is within the limits prescribed by the Act and they continue to meet the criteria specified u/s.141 of the Companies Act, 2013.

The remark in Auditors Report read with notes to Accounts are self-explanatory and need no further clarification.

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

A) Conservation of energy and technology absorption :

The Company had closed its unit at Bangalore w.e.f. 01.04.2013. The unit at Gangarampur continued to be under temporary closure during the year.

The particulars in respect of conservation of energy and technology absorption in respect of Bhagalpur Unit are given in Annexure 'A' forming part of this report pursuant to Section 134(3)(m) of Companies Act, 2013 and rules made thereunder,

B) Foreign Exchange earnings and outgo :

The information is contained in Item No.15 of Note No.'23' in notes to the accounts.

INVESTMENTS

The details of investments are given in Note No. '8' annexed to the annual accounts of the Company.

SUBSIDIARY COMPANIES

The particulars, as required under Section 134 of the Companies Act, 2013 and Rules made thereunder, in respect of Company's subsidiary viz. Spin International INC. are as follows :

I. Financial Performance

	Spin International (Amount in USD)
Sales	947,579
Cost of goods	747,578
Gross Profit	200,001
Overheads	302,614
Income from operation	(102,613)
Other Income	5,943
Income before tax	(96,670)
Income Tax	1,889
Net Income	(98,559)

II. Financial position as on 31.03.2016

Current liabilities	105,054
Capital	1,000
Reserve & Surplus	686,629
Total Liability	792,683
Current Assets	729,965
Fixed Assets	3,993
Investments	58,725
Total Assets	792,683

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year. No deposits were outstanding at the beginning of 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. mainly by high-end customers. The Company has closed most of its units during the year. However, it is trying various options to re-open its main unit at Gangarampur in West Bengal.

B) Opportunities & Threats : Sale of 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 and timely 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. The export of textile goods is on decline. Silk is losing consumers preference and is moving out of fashion.

E) Risk & Concern : Silk fabrics being a luxury item carry significant risk linked to consumer confidence and spending pattern and availability of other cheaper alternatives.

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

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

F) Internal Control System & Adequacy : The Company has adequate internal control systems to ensure safeguarding of assets against unauthorised use and to provide that all transactions are authorised, recorded and reported correctly. The Company has a system of periodical Internal Audit.

G) Discussion on financial performance with respect to operational performance : The details of the financial performance of the Company are available in the Balance Sheet, Profit & Loss Account and other financial statements appearing separately.

H) Human Resources : The industrial relations were by and large cordial during the year. The unit at Kolkata continues to be temporarily closed w.e.f. 1st December, 2013. In view of above, the Company had to down size its employee strength at its Head Office. However, the Directors place on record the good contribution made and the co-operation extended by the employees at all levels of the organisation.

There was no employee employed during the financial year or a part of the financial year who was in receipt of remuneration for that year or any part of that year at a rate as prescribed under the Companies Act, 2013, read with the rules made thereunder.

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 in the countries with which the Company conducts its business as well as other incidental factors.

MANAGERIAL REMUNERATION

i) The ratio of remuneration paid to each Director during the year to the median remuneration of the employees of the Company

A. Executive Directors

Name of the Director	Remuneration	Ratio
Mr. S. N. Jhunjhunwala	Rs.739,200	5.40
Mr. Rajiv Jhunjhunwala	Rs.672,000	4.91
Mr. A. B. Chaturvedi	Rs.843,640	6.17

B. The Non-Executive Directors receive remuneration by way of sitting fees for attending Board and Committee Meetings. Such remuneration to each of the Non-Executive Directors for the financial year was lower than the median remuneration of employees for the year.

ii) Percentage increased in the remuneration of each Directors & Key Managerial Personnel

	Percentage increased
Mr. S. N. Jhunjhunwala, Executive Chairman & CEO	NIL
Mr. Rajiv Jhunjhunwala, Vice Chairman	NIL
Mr. A. B. Chaturvedi, Whole Time Director & CFO	NIL
Mr. S. L. Agrawal, Company Secretary*	NIL

*has resigned w.e.f. 01.02.2016

i) Percentage increased in the median remuneration of employees during the year : 12.53%

ii) No. of permanent employees on the Roll as on 31.03.2016 : **164 (One hundred sixty four)**

iii) Market capitalization as on 31.03.2015 Rs.635.39 lacs
31.03.2016 Rs.526.10 lacs
Variation Rs.(109.29) lacs

iv) Price at which the last Public offer was made Rs.70/- per share

v) Percentage increase/decrease in market quotation of the shares of the Company in comparison to the price at which the last public offer was made - (91.89%)

Variation in the net worth of the Company as at close of current financial year and previous financial year. Rs.(1775.71 lacs)

vi) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but received remuneration in excess of its highest paid Director

Remuneration of highest paid Director (Mr. A. B. Chaturvedi) Rs.8.43 lacs

Remuneration to employees who are not Directors but received remuneration In excess of its highest paid Director :

i) Mr. S. L. Agrawal, Co. Secretary Rs.14.09 lacs

ii) Mr. N. K. Sharma, General Manager (BLR) Rs.11.18 lacs

Rs.25.27lacs

Ratio 8.43 : 25.27 = 0.33

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

Other particulars as required under clause (v) to (ix) of Rule 5(1) of Companies (Appt & Return of Managerial Personnel) Rules, 2014 are not applicable to the Company.

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 :

59, Elliot Road
Kolkata - 700 016

Dated : 11th August, 2016

By Order of the Board

S. N. Jhunjhunwala
Executive Chairman
(DIN : 00063450)

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional information as required under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

CONSERVATION OF ENERGY	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
A. Power and Fuel Consumption		
1. Electricity		
a) Unit Purchased (KWH)	92,291	86,480
Total Amount (Rs.)	690,117.00	676,660
Rate/Unit (Rs.)	7.48	7.80
b) Own Generation through Diesel Generator		
Units (KWH)	7620	7,904
Units (Litre)	3810	3,952
Unit per litre of Diesel Oil	2.00	2.00
Total Amount (Rs.)	199,928.06	239,990
Cost/Unit (Rs.)	26.24	30.36
2. Furnace Oil		
Quantity (KL)	20,188	21,460
Total Amount (Rs.)	1,034,128.91	1,272,356
Average Rate (Rs.)	51.22	59,290
3. Steam Coal		
Quantity (Kg)	-	-
Total Amount (Rs.)	-	-
Average Rate (Rs.)	-	-
B. Consumption per Mtr of production		
Product : Natural Fabrics		
Electricity (KWH)	1.46	1.10
Furnace Oil (Ltr.)	0.32	0.27
Steam Coal (Kg.)	--	-

- C. 1. Energy Conservation Measures taken :
- (a) Steam leakages in the steam distribution network are monitored on continuous basis for early detection and rectification.
 - (b) Fuel consumption of boiler is monitored and optimised by way of daily and schedule maintenance.
 - (c) Non-essential consumers in the utility/service section are normally kept out of operation during high tariff period, to cut down energy cost.
2. Additional Investments for reduction of power consumption : (a) 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 : NIL
- B) Benefits derived as a result of the above R & D : NIL
- C) Future plan of action : NIL
- 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.

Annexure-1**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of contracts or arrangements or transactions at arm's length basis

Rs. in lacs

	Name of Related Party	Relationship	Nature of Contract	Duration of contract	Salient Terms/ Value	Date of Approval from Board, if, any	Amount paid as advance
i)	Spin International Inc.	Wholly Owned Subsidiary Company	Sale of goods	N.A.	164.26	N.A.	NIL
ii)	Sri S. N. Jhunjunwala	Executive Chairman	Payment of remuneration	5 years	7.39	22.01.2016	N.A.
iii)	Sri Rajiv Jhunjunwala	Executive Vice Chairman	Payment of remuneration	5 years	6.72	22.01.2016	N.A.
iv)	Sri A. B. Chaturvedi	Whole Time Director	Payment of remuneration	5 years	8.44	14.08.2012	N.A.

Registered Office :
59, Elliot Road
Kolkata - 700 016
Dated : 11th August, 2016

By Order of the Board

S. N. Jhunjunwala
Executive Chairman
(DIN : 00063450)

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. J J EXPORTERS LTD.
Mukhtar Tower,
59 Elliot Road, 2nd Floor
Kolkata - 700016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. J J EXPORTERS LTD** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.

I further report that, there were no actions/ events in pursuance of ;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we further report that the Company has complied with the following laws applicable specifically to the Company :

- a. Textile Committee Act, 1963,
- b. Textile Committee (Cess) Rules, 1975

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, w.e.f 1st July' 2015.
- (ii) The Listing Agreements entered into by the Company with **BSE Limited** and **Calcutta Stock Exchange Limited**.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- i. *With respect to section 212 of the Companies Act, 1956 a matter is sub judice before the Chief Judicial Magistrate of Alipore Court.*

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

This Report is to be read with our letter of even date which is annexed **"Annexure A"** and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries

[M. R. Goenka]
Partner

FCS No.:4515
C P No.:2551

Place : Kolkata
Date : 11.08.2016

"ANNEXURE – A"

**(TO THE SECRETARIAL AUDIT REPORT OF J J EXPORTERS LTD.
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)**

To,
The Members,
M/s. J J EXPORTERS LTD.
Mukhtar Tower,
59 Elliot Road, 2nd Floor
Kolkata - 700016

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates
Company Secretaries

[M. R. Goenka]
Partner

FCS No.:4515
C P No.:2551

Place : Kolkata
Date : 11.08.2016

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.
I. REGISTRATION & OTHER DETAILS:

- | | |
|---|---|
| 1. CIN | L17112WB1972PLC028631 |
| 2. Registration Date | 29.12.1972 |
| 3. Name of the Company | J. J. EXPORTERS LTD. |
| 4. Category/Sub-category of the Company | Public Company having share capital |
| 5. Address of the Registered office & contact details | 'MUKHTAR TOWER', 2ND FLOOR,
59, ELLIOT ROAD,
KOLKATA – 700 016.
PHONE : 033 40713125 / 22654776 / 22654778,
Fax : 91-33-2265 4780
Email: jjemail@vsnl.com |
| 6. Whether listed company | YES |
| 7. Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. MCS Share Transfer Agent Ltd
12/1/5, Manoharpukur Road, Kolkata - 700 026
Phone : (033) 4072 4051-4053,
Fax : (033) 4072 4050
E-mail : mcssta@rediffmail.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Fabric	13122	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SPIN INTERNATIONAL INC. 240 West 37th Street, Suite- 503, New York, NY 10018.	N.A.	SUBSIDIARY	100%	2(87(ii))
2					
3					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,187,019	–	3,187,019	34.41	3,187,019	–	3,187,019	34.41	NIL
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2,411,140	–	2,411,140	26.03	2,411,140	–	2,411,140	26.03	NIL
e) Banks / FI									
f) Any other	1,164,704	–	1,164,704	12.57	1,164,704	–	1,164,704	12.57	NIL
Sub-total									
(A)(1):-	6,762,863		6,762,863	73.01	6,762,863		6,762,863	73.01	NIL
(2) Foreign									
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Any other									
Sub-total (A) (2) :	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter									
(A)=(A)(1)+(A)(2)	6,762,863	–	6,762,863	73.01	6,762,863	–	6,762,863	73.01	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	465,155	4,475	469,630	5.07	442046	4475	446521	4.82	(0.25)
ii) Overseas	-	3,750	3,750	.04	-	3750	3750	0.04	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,106,701	174,607	1,281,308	13.83	1126751	172595	1299346	14.03	0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	350,042	-	350,042	3.78	350042	-	350042	3.78	-
c) Others (specify)									
Non Resident Indians	380,007	14,650	394,657	4.27	385078	14650	399728	4.31	0.06
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	2,301,905	197482	2,499,387	26.99	2303917	195470	2499387	26.98	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2,301,905	197,482	2,499,387	26.99	2303917	195470	2499387	26.98	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	9,064,768	197,482	9,262,250	100	9066780	195470	9262250	100.00	-

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	NUPUR CARPETS PRIVATE LTD	2,411,140	26.0319	-	2,411,140	26.0319	-	-
2	J. J. EXPORTERS BENEFICIARY TRUST THRU S.N. JHUNJHUNWALA-TRUSTEE	1,303,675	14.0751	-	1,303,675	14.0751	-	-
3	AKHILESH JHUNJHUNWALA BENEFICIARY TRUST	762,604	8.2335	-	762,604	8.2335	-	-
4	POOJA JHUNJHUNWALA BENEFICIARY TRUST	259,600	2.8028	-	259,600	2.8028	-	-
5	S.N. JHUNJHUNWALA	731,240	7.8948	-	1,000	0.0108	-	7.8840
6	RAJIV JHUNJHUNWALA	563,604	6.0850	-	1,000	0.0108	-	6.0742
7	RAJIV JHUNJHUNWALA HUF	222,500	2.4022	-	222,500	2.4022	-	-
8	S. N. JHUNJHUNWALA HUF	221,000	2.3860	-	221,000	2.3860	-	-
9	KAVITA JHUNJHUNWALA	1,000	0.0108	-	1,000	0.0108	-	-
10	LAXMI JHUNJHUNWALA	1,000	0.0108	-	1,000	0.0108	-	-
11	MEGHA JHUNJHUNWALA TRUST	142,500	1.5385	-	142,500	1.5385	-	-
12	MEGHA JHUNJHUNWALA	66,000	0.7126	-	1,000	0.0108	-	0.7018
13	AKHILESH JHUNJHUNWALA	65,000	0.7018	-	65,000	0.7018	-	-
14	NEHA JMIMANI	12,000	0.1296	-	13,69,844	14.7895	-	14.6599
	TOTAL	6,762,863	73.0154	-	6,762,863	73.0154	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change) :

No change in shareholding of the Promoters during the year except interse transfers.

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	MENTOR CAITAL LIMITED	310,000	3.3469	310,000	3.3469
	Q.E. 30.06.2015	-2	0.0	309,998	3.3469
2	DEVINA SARAFF	267,671	2.8899	267,671	2.8899
3	GIRDHARLAL AGRAWAL	223,029	2.4079	223,029	2.4079
4	PRERNA SARAFF	106,250	1.1471	106,250	1.1471
5	MEET KUMAR SANJAYBHAI MACWAN	58,513	0.6317	58,513	0.6317
	Q.E. 30.09.2015	-58,513	0	0	0
6	SANJAY KUMAR CHIMANBHAI MACWAN	26,920	0.2906	26,920	0.2906
	Q.E. 30.09.2015	+58513	0.6318	85,433	0.9224
7	SEETHA KUMARI	41,580	0.4489	41,580	0.4489
8	LAXMINARAYAN VYAPAAR P LTD	25,124	0.2713	25,124	0.2713
9	RAMANBHAI C SONI	17,993	0.1943	17993	0.1943
	Q.E. 31.12.2015	-17,993	0.1943	0	0
10	DINESHBHAI CHIMANBHAI SONI	0	0	0	0
	Q.E. 31.12.2015	+17,993	0.1943	17,993	0.1943
11	NEET NEEL (INDIA) PVT LTD	16,500	0.1781	16,500	0.1781
12	PRIYA RAJENDRAPRASAD TODI	15,000	0.1619	15,000	0.1619

E) Shareholding of Directors and Key Managerial Personnel:
a) Mr. S. N. Jhunhunwala

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cummulative Shareholding during the year		Reason for Change
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
	At the beginning of the year	731,240	7.89	731,240	7.89	Gift to grand daughter
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	(-) 730240 02.11.2015	6.07	1000	0.0108	
	At the end of the year	1,000	0.0108	1,000	0.0108	

b) Mr. Rajiv Jhunjunwala

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cummulative Shareholding during the year		Reason for Change
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
	At the beginning of the year	563,604	6.085	563,604	6.085	Gift to daughter
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	(-) 562604 02.11.15	6.074	1000	0.0108	
	At the end of the year	1,000	0.0108	1,000	0.0108	

None of the other Directors or Key Managerial Personnel hold any share of the Company.

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4734.75	250.00	-	4984.75
ii) Interest due but not paid	337.02	-	-	337.02
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5071.77	250.00	-	5321.77
Change in Indebtness during the financial year				
ADDITION	468.96	-	-	468.96
REDUCTION	127.28	250.00	-	377.28
Exchange Difference	-	-	-	-
Net Change	341.68	-	-	(91.68)
Indebtness at the end of the financial year				
i) Principal amount as on 31.03.2015	5076.43	-	-	5076.43
ii) Interest due but not paid	655.98	-	-	655.98
iii) Interest accrued but not due as on 31.03.2015		-	-	-
Total (i+ii+iii)	5732.41	-	-	5732.41

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. S. N. Jhunjhunwala, Executive Chairman & CEO	Mr. Rajiv Jhunjhunwala, Vice Chairman	Mr. A. B. Chaturvedi, Whole Time Director & CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	660,000	600,000	7,63,000	20,23,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400	–	64,800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission – as % of profit – others, specify...	–	–	–	–
5	Others, please specify	–	–	–	–
	Total (A)	6,92,400	6,32,400	7,63,000	20,87,800
	Ceiling as per the Act	42,00,000	42,00,000	42,00,000	1,26,00,000

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. P. K. Sarkar	Mr. H. S. Senapati	Mr. Rahul Singhi	Ms. Dipali Sharma	Ms. Puja Jhunjhunwala	
1	Independent Directors						
	Fee for attending board committee meetings	7,500	25,000	20,000	15,000	15,000	82,500
	Commission						
	Others, please specify						
	Total (1)	7,500	25,000	20,000	15,000	15,000	82,500
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	–	–	–	–	–	–
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total (B)=(1+2)	7,500	25,000	20,000	15,000	15,000	82,500
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Mr. S. L. Agrawal	CEO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	13,26,271	–	13,26,271
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of profit others, specify...	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	13,26,271	–	13,26,271

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

FORM AOC-1
Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in ₹)

Sl. No.	Particulars	Details
1	Name of the Subsidiary	SPIN INTERNATIONAL INC.
2	Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period	Year Ended 31st March, 2016
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiary	Reporting Currency: \$ (U.S. DOLLAR) Exchange Rate on 31.03.2016: 1\$ = ₹ 66.30
4	Share Capital	66,295
5	Reserves and Surplus	42,634,643
6	Total Assets	49,665,514
7	Total Liabilities	6,964,576
8	Investments	NIL
9	Turnover	61,456,972
10	Profit before Taxation	(1,292,546)
11	Provision for Taxation	121,751
12	Profit after Taxation	(1,414,297)
13	Proposed Dividend	NIL
14	% of Shareholding	100

Additional Information:

1	Name of Subsidiaries which are yet to commence operations	NONE
2	Name of Subsidiaries which have been sold during the year	NONE

Sl. No.	Particulars	Details
1	Name of the Subsidiary	SPIN INTERNATIONAL INC.
2	Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period	Year Ended 31st March, 2015
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiary	Reporting Currency: \$ (U.S. DOLLAR) Exchange Rate on 31.03.2015: 1\$ = `62.61
4	Share Capital	62,610
5	Reserves and Surplus	49,160,621
6	Total Assets	51,787,110
7	Total Liabilities	2,563,879
8	Investments	NIL
9	Turnover	79,051,455
10	Profit before Taxation	(1,987,416)

11	Provision for Taxation	198,376
12	Profit after Taxation	(2,185,792)
13	Proposed Dividend	NIL
14	% of Shareholding	100

Additional Information:

1	Name of Subsidiaries which are yet to commence operations	NONE
2	Name of Subsidiaries which have been sold during the year	J.J.Creations SA

Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:
NOT APPLICABLE**

NOTE:

The financial statements subsidiary OOO J J Home, which closed its operation in the year 2013-14, not included in the consolidated financial statements.

For and on Behalf of the Board

S. N. Jhunjhunwala — *Executive Chairman*
Rajiv Jhunjhunwala — *Vice Chairman*
A. B. Chaturvedi — *Director & CFO*
H. S. Senapati — *Director*
Dipali Sharma — *Director*

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF J J EXPORTERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **J J EXPORTERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

Note-3 to the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the Company has incurred a Net Loss during current and previous years and the Company's current liabilities exceeded its current assets as at the Balance Sheet date. These conditions, along with other matters set forth in Clause 7 of Note 23, indicate the existence of a material uncertainty that may cast significant doubt about that Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis since the financial and business restructuring has been initiated by the company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Clause 2 of Note 23** to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SALARPURIA JAJODIA & CO.**
 Chartered Accountants
 ICAI Reg.No. 302111E

Place : Kolkata
 Date: 18th day of May, 2016

Anand Prakash
 Partner
 Membership No. 056485

ANNEXURE `A` TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

(Referred to Paragraph 2(g) of Report on Other Legal and Regulatory Requirements of our Report of even date)

We have audited the internal financial controls over financial reporting of J J EXPORTERS LIMITED as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
ICAI Reg.No. 302111E

Place : Kolkata
Date: 18th day of May, 2016

Anand Prakash
Partner
Membership No. 056485

ANNEXURE – “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date)

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 maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, fixed assets 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) As per the information and explanations given to us by the management, the title deeds of the immovable properties are held in the name of company.
- ii. As explained to us, inventories have been physically verified during the year by the management, which, in our opinion is reasonable and discrepancies which were noticed have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, comment on Clause No. iii (a), iii (b) and iii (c) of the said order does not arise.
- iv. According to the information and explanations given to us, the Company has not given any loans, investments, guarantees, and security and has not invested in any other body corporate, hence the comment on the said clause of the order is not applicable.
- v. According to the information and explanations given to us, there is no such deposits, taken by the Company, for which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are required to be complied with.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub Section 148 (1) of the Companies Act, 2013 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.
- vii. a) According to the records of the Company and as per the information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. No arrears of outstanding statutory dues on the last day of the financial year concerned exists for a period of more than six months from the date they became payable.
- b) On the basis of our examination of the documents and records the following disputed statutory dues which have not been deposited with the appropriate authorities are as under:

The details regarding Income Tax disputed dues pending before Commissioner of Income Tax (Appeals) is shown below:

ASSESSMENT YEAR	INCOME TAX AMOUNT(₹)	ASSESSMENT YEAR	INCOME TAX AMOUNT(₹)
1998-1999	79,799	2009-2010	42,406,650
2003-2004	163,157	2010-2011	327,520
2005-2006	5,251,177	2011-2012	61,590
2008-2009	45,868,423	2012-2013	3,950

The details regarding the Sales Tax disputed dues pending before the Appellate and Revisional Board are as follows:

ASSESSMENT YEAR	SALES TAX AMOUNT (₹)
2008-09	115,154
2009-10	104,171
2010-11	2,576,331
2011-12	217,538

The details regarding the Excise Duty, Custom Duty and Service Tax dispute dues are as follows:

PARTICULARS	AMOUNT (₹)	Forum where Dispute is Pending
Custom Duty(including penalty of ₹ 4,840,347) (2009-10 to 2012-13)	9,317,667	Commissioner of Central Excise
Service Tax (2006-07)	256,018	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax (2007-08)	327,237	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax (2007-08)	59,980	Deputy Commissioner of Central Excise
Service Tax (2006-07)	334,000	Deputy Commissioner of Central Excise
Service Tax (2007-08)	90,842	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax on Commission	348,536	Additional Commissioner of Appeal
Service Tax (2007-08)	266,676	Assistant Commissioner of Central Excise
Service Tax (2008-09 to 2011-12)	283,482	Assistant Commissioner of Central Excise
Service Tax (2009-10)	51,920	Assistant Commissioner of Central Excise
Service Tax (2006-07 & 2007-08)	695,479	Commissioner of Appeal
Service Tax (2007-08)	202,497	Honourable High Court of Calcutta

- viii. The loan from Industrial Development Bank of India (IDBI) (including interest thereon) amounting to ₹ 31.51 crores, for which one time settlement was approved by the bank but for which necessary compliance was not complied by the company. So that proposal of one time settlement is withdrawn by the bank and the bank called back its loan and interest thereon for repayment during the year. The bank has also served a notice under section 13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002 during the year.

Loan from Indian Overseas Bank (IOB) to the extent of ₹ 22.44 crores (including interest thereon), subject to confirmation, was already called back by the bank for repayment during the year 2013-14 and which has also not since been paid. However, the bank has approved one time settlement of the outstanding loan for which necessary compliances are in process.

- ix. To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained and the Company has not raised any money by way of initial public offer or further public offer during the year. Hence comment on utilisation of moneys raised by way of initial public offer or further public offer does not arise.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted audit practices in India, and according to the information and explanation given to us, we have neither come across instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. To the best of our knowledge and belief, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. According to the information and explanation given to us, clause (xii) in respect of Nidhi Company is not applicable to the company. Hence the comment on the said clause does not arise.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act 2013, and have been disclosed in Notes to Accounts as applicable by the accounting standard.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; hence comment on the said clause of the order is not applicable.
- xv. To the best of our knowledge and belief and as per the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
ICAI Reg:No. 302111E

Place : Kolkata
Date: 18th day of May, 2016

Anand Prakash
Partner
Membership No. 056485

Standalone Balance Sheet as at 31st March 2016

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Shareholders' Fund			
Share Capital	1	92,622,500	92,622,500
Reserves and Surplus	2	(267,392,211)	(89,821,819)
		<u>(174,769,711)</u>	<u>2,800,681</u>
Non-Current Liabilities			
Long Term Borrowings	3 (A)	—	100,268,480
		—	<u>100,268,480</u>
Current Liabilities			
Short Term Borrowings	3 (B)	507,642,762	121,973,993
Trade Payables (Other than Micro Enterprises & Small Enterprises)	4	11,264,124	15,052,549
Other Current Liabilities	5	74,352,487	363,198,187
Short Term Provisions	6	59,605,390	61,720,448
		<u>652,864,763</u>	<u>561,945,177</u>
Total		<u>478,095,052</u>	<u>665,014,338</u>
II. ASSETS			
Non Current Assets			
Fixed Assets			
– Tangible Assets	7	306,261,907	359,456,039
– Capital Work In Progress		2,590,374	2,590,374
Non Current Investments	8 (A)	6,937,250	51,151,087
Long Term Loans and Advances	9	1,424,597	37,713,426
		<u>317,214,128</u>	<u>450,910,926</u>
Current Assets			
Current Investments	8 (B)	12,109,519	12,000
Inventories	10	26,454,203	56,031,924
Trade Receivables	11	23,193,528	18,049,677
Cash and Cash Equivalents	12	7,810,225	34,593,012
Short Term Loans and Advances	13	87,984,571	92,492,031
Other Current Assets	14	3,328,878	12,924,768
		<u>160,880,924</u>	<u>214,103,412</u>
Total		<u>478,095,052</u>	<u>665,014,338</u>
Significant Accounting Policies and Notes to Accounts	23		

The Notes referred to above form an Integral part of the Financial Statements

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

Standalone Statement of Profit and Loss for the year ended 31st March 2016

PARTICULARS		Notes	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
I.	Revenue from Operations	15	137,678,838	173,332,000
II.	Other Income	16	30,547,889	89,718,528
III. Total Revenue (I + II)			168,226,727	263,050,528
IV.	Expenses:			
	Cost of Materials Consumed & Other Manufacturing Expenses	17	48,901,863	56,628,778
	Purchase of Traded Goods	18 (B)	43,440,485	66,828,992
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	18(A)	18,795,396	12,745,961
	Employee Benefits Expense	19	33,405,403	34,927,304
	Finance Costs	20	79,990,367	71,970,739
	Depreciation and Amortisation Expense	21	33,253,221	44,116,152
	Other Expenses	22	87,291,517	32,286,511
IV. Total Expenses			345,078,252	319,504,437
V.	Profit/ (Loss) before Prior Period Adjustments, Exceptional Items, Extra-Ordinary Items and Tax (III - IV)		(176,851,525)	(56,453,909)
VI.	Prior Period Adjustments		(91,494)	(56,474)
VII.	Profit/ (Loss) before Exceptional Items, Extra-Ordinary Items and Tax (V - VI)		(176,943,019)	(56,510,383)
VIII.	Exceptional Items		—	—
IX.	Profit/ (Loss) before Extra-Ordinary Items and Tax (VII - VIII)		(176,943,019)	(56,510,383)
X.	Extra-Ordinary Items (Refer note 23 (25))		—	29,975,364
XI.	Profit/ (Loss) Before Tax (IX - X)		(176,943,019)	(26,535,019)
XII.	Tax Expense:			
	(1) Current Tax		—	—
	(2) Deferred Tax		—	—
	(3) Adjustment on account of Income Tax for Earlier Years		(627,373)	—
XIII.	Profit/ (Loss) after Tax (XI - XII)		(177,570,392)	(26,535,019)
XIV.	Earnings per Equity Share before Extra Ordinary Items- Basic/ Diluted (Refer Clause 8 of Note 23)		(19.17)	(6.10)
XIV.	Earnings per Equity Share- Basic/ Diluted (Refer Clause 8 of Note 23)		(19.17)	(2.86)
	Significant Accounting Policies and Notes to Accounts	23		

The Notes referred to above form an Integral part of the Financial Statements

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

NOTE : 1 SHARE CAPITAL	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Authorised		
Equity share Capital		
10,000,000 (Previous Year 10,000,000) shares of ₹ 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up		
Equity share Capital		
1,257,500 (previous year 1,257,500) shares of ₹ 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (previous year 42,500) shares of ₹ 10/- each allotted as fully Paid-Up, pursuant to contract without payment being received in cash.	425,000	425,000
5,876,000 (previous year 5,876,000) shares of ₹ 10/- each allotted as fully Paid-Up, Bonus Shares by way of Capitalisation of Reserve.	58,760,000	58,760,000
2,086,250 (previous year 2,086,250) shares of ₹ 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 number of shares and share capital outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2016 ₹	Nos.	As at 31st March 2015 ₹
At the beginning of the year	9,262,250	92,622,500	9,262,250	92,622,500
Issued during the year	—	—	—	—
Outstanding at the end of the year	9,262,250	92,622,500	9,262,250	92,622,500

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

Particulars	Nos.	As at 31st March 2016 ₹	Nos.	As at 31st March 2015 ₹
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 as at 31st March, 2016

Particulars	Nos.	As at 31st March 2016 % Holding in the Class
Equity Shares Of ₹ 10 Each		
Nupur Carpets Private Limited	2,411,140	26.03
J J Exporters Beneficiary Trust	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	762,604	8.23
Neha Mimani	1,369,844	14.79

d. Details Of Shareholders holding more than 5% Shares in the Company as at 31st March, 2015

Particulars	Nos.	As at 31st March 2015 % Holding in the Class
Equity Shares Of ₹ 10 Each		
Nupur Carpets Private Limited	2,411,140	26.03
J J Exporters Beneficiary Trust	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	762,604	8.23
S.N. Jhunjunwala (Including S. N. Jhunjunwala HUF)	952,240	10.28
Rajiv Jhunjunwala (Including Rajiv Jhunjunwala HUF)	786,104	8.49

Note : 2 RESERVES & SURPLUS	As at 31st March 2016 ₹	As at 31st March 2015 ₹
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) Securities Premium Reserve		
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
Addition	—	—
Deduction: Transfer to Surplus/ (Deficit) of Profit and Loss	—	(344,400,000)
Closing Balance	—	—
d) Surplus/ (Deficit) as per Statement of Profit and Loss		
Opening Balance	(147,490,329)	(465,355,310)
Addition: Transfer from General Reserve	—	344,400,000
Deduction	(177,570,392)	(26,535,019)
Closing Balance	(325,060,721)	(147,490,329)
Total	(267,392,211)	(89,821,819)

Note : 3 BORROWINGS	As at 31st March 2016 (₹)				As at 31st March 2015 (₹)			
	Long term Borrowings (A)	Current maturity of long term borrowings	Short term borrowings (B)	Total Borrowings	Long term Borrowings (A)	Current maturity of long term borrowings	Short term borrowings (B)	Total Borrowings
A. Term Loans								
Secured:-								
– From Bank			243,747,011	243,747,011	207,662,750			207,662,750
Funding Interest Term Loan From Banks	—		71,358,759	71,358,759	77,710,632			77,710,632
Unsecured:-								
Less: Current Maturity of Long Term borrowings shown as Other Current Liabilities (Refer Note-5)	—	—	—	—	(185,104,902)	185,104,902		
	—				100,268,480			

Note : 3 BORROWINGS	As at 31st March 2016 (₹)				As at 31st March 2015 (₹)			
	Long term Borrowings (A)	Current maturity of long term borrowings	Short term borrowings (B)	Total Borrowings	Long term Borrowings (A)	Current maturity of long term borrowings	Short term borrowings (B)	Total Borrowings
B. Working Capital Loan From Bank								
Secured:-								
- Bill Discounted With Banks-Foreign Currency			6,762,840	6,762,840			6,762,840	6,762,840
- Working Capital Term Loan			101,105,935	101,105,935	91,127,466			91,127,466
Less: Current Maturity of Long Term borrowings shown as Other Current Liabilities (Refer Note-5)	-	-	-	-	(91,127,466)	91,127,466		
- Cash Credit From Banks			84,668,217	84,668,217			90,211,153	90,211,153
Unsecured:-								
- From Bodies Corporate			-	-			25,000,000	25,000,000
TOTAL	<u>-</u>	<u>-</u>	<u>507,642,762</u>	<u>507,642,762</u>	<u>100,268,480</u>	<u>276,232,368</u>	<u>121,973,993</u>	<u>498,474,841</u>

- Working capital facilities with Indian Overseas Bank is secured by first charge on Current Assets of the Company.
- 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 Dodaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- Further, the working capital limits of Indian Overseas Bank is also secured by personal guarantee of two Directors of the company.
- The said loan from Indian Overseas Bank are subject to confirmation and reconciliation along with interest accrued and due shown in Note 5
- Rupee Term Loan with Industrial Development Bank of India Ltd (IDBI) has been secured as follows:

Purpose	Description of property
Retail Showroom	(i) Plant and machinery of Kolkata EOU on first Charge. (ii) Entire movable 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.
Dodaballapur	(i) First charge on Land and Building at Dodaballapur. (ii) First charge on movable and immovable assets (except Stock) of J.J.Spectrum (unit of J J Exporters Ltd). (iii) First charge on movable and immovable assets (except Stock) of EOU at Kolkata.
Kolkata EOU	(i) Whole of movable properties (other than Stock) of the Company's unit situated at Gangarampur, EOU-I and EOU -II . (ii) Land measuring 40,000 sq. feet together with building thereon. Plant and machinery on first charge. (iii) Personal guarantee of a Director.

f) Terms of Repayment of Term Loans/ FITL From IDBI and IOB

The one time settlement for the loan from Industrial Development Bank of India(IDBI) amounting to ₹ 31.51 crores is withdrawn by the bank due to non compliance and the bank called back for the repayment of the loans with interest. So, the said loan is shown under short term borrowings for the year 2015-16. The bank has also served a notice under section 13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act,2002 during the year.

Loan from Indian Overseas Bank (IOB) to the extent of ₹ 22.44 crores (including interest thereon), subject to confirmation was already called back by the bank for repayment during the year 2013-14 which has not been paid till date. However, the bank has approved one time settlement for the outstanding loans for which necessary compliances are in process.So, the loan amount is shown as short term borrowing in the year 2015-2016

- g) The interest is provided by the company at the rate of 15%p.a. on loan from Indian Overseas Bank(IOB).**

h) Terms of Repayment of Term loan, Working capital loan and Funding Interest Term Loans From Banks for previous year:

A) IDBI Bank Limited

The IDBI Bank Limited has approved One Time Settlement (OTS) of its dues on account of Term Loan and Funding Interest Term Loan, the repayment of which is as follows:

₹ 15 crore was to be paid by selling Dodaballapur unit by March, 2015, the remaining Term Loan of ₹ 57,662,750/- is to be repaid w.e.f. 1st April 2015 in 59 monthly installments of ₹ 965,000/- and one installment of ₹ 727,750/-.

The Funding Interest Term Loan of ₹ 67,732,163/- is to be repaid in 60 monthly installments w.e.f 1st April 2015.

B) Indian Overseas Bank

The Working Capital Loans and Funding Interest Term Loan has been recalled by Indian Overseas Bank. Hence, the said loan is shown as Current Maturity of Long Term Borrowings and is included in Other Current Liabilities (Refer Note 5). However, the Company has approached the bank for One Time Settlement.

Note : 4 TRADE PAYABLES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Sundry Creditors for Goods and Services (Other than Micro Enterprises & Small Enterprises)	11,264,124	15,052,549
Total	11,264,124	15,052,549

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 2016 ₹	As at 31st March 2015 ₹
Interest Accrued & Due on Borrowings (called back for its repayment)	65,597,540	33,702,299
Current Maturity of Long Term Borrowings (Refer Note-3)	–	276,232,368
Advance from Customers*	1,882,409	46,162,351
Payable for Employee Benefits	3,932,233	3,940,822
Statutory Dues Payable	1,173,448	1,489,956
Other Payables	275,930	250,454
Other Current Liabilities	1,490,927	1,419,937
Total	74,352,487	363,198,187

* Advance from Customers includes ₹ NIL (Previous Year ₹ 15,206,293/-) from Related party (Spin International Inc.- Subsidiary Company)

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Provision For Taxation	59,605,390	61,720,448
Total	59,605,390	61,720,448

Note : 7 FIXED ASSETS

PARTICULARS	COST			ACCUMULATED DEPRECIATION & AMORTISATION					NET BOOK VALUE		
	01.04.2015 ₹	Addition ₹	Deduction ₹	31.03.2016 ₹	01.04.2015 ₹	Charge for The Year ₹	Transitional Depreciation ₹	Deduction/ Adjustment ₹	31.03.2016 ₹	31.03.2016 ₹	31.03.2015 ₹
TANGIBLE ASSETS											
FREEHOLD LAND**	23,359,863	-	-	23,359,863	-	-	-	-	-	23,359,863	23,359,863
LEASEHOLD LAND*	366,381	-	-	366,381	234,741	12,213	-	-	246,954	119,427	131,640
BUILDINGS & STRUCTURES**	376,481,890	-	27,911,561	348,570,329	161,005,184	15,819,239	-	9,747,382	167,077,041	181,493,288	215,476,706
PLANT & EQUIPMENTS	672,565,804	37,580	1,005,000	671,598,384	572,452,656	10,267,716	-	693,342	582,027,030	89,571,354	100,113,148
OFFICE EQUIPMENTS	69,261,544	186,432	3,749,330	65,698,646	57,019,192	4,663,063	-	2,980,126	58,702,129	6,996,517	12,242,352
FURNITURE & FIXTURES	25,600,216	-	4,008,943	21,591,273	19,606,930	1,801,637	-	3,129,266	18,279,301	3,311,972	5,993,286
VEHICLES	6,282,012	-	804,083	5,477,929	4,142,968	689,353	-	763,878	4,068,443	1,409,486	2,139,044
T O T A L	1,173,917,710	224,012	37,478,917	1,136,662,805	814,461,671	33,253,221	-	17,313,994	830,400,898	306,261,907	359,456,039
PREVIOUS YEAR	1,215,940,722	873,411	42,896,423	1,173,917,710	800,832,513	39,955,262	4,160,890	30,486,994	814,461,671	359,456,039	

* Leasehold Land is being depreciated over the period of lease.

Pursuant to the enactment of the Companies Act, 2013 ("the Act"), the Company has, effective 01.04.2014, reviewed and revised the estimated useful lives of its Fixed Assets, generally, in accordance with the provisions of Schedule II of the Act as a result of which Previous Year's figures have been regrouped and rearranged, wherever necessary. The consequential impact on Depreciation is higher by ₹ NIL (previous year ₹ 7,665,261/-) and the Written Down Value of Fixed Assets whose lives have expired as at 01.04.2014 have been charged in the Statement of Profit and Loss ₹ NIL (previous year ₹ 4,160,890) as Depreciation.

**Includes Assets held for Sale as at 31st March 2016.

	Gross Value (₹)	Net Book Value (₹)
Free Hold Land	21,790,223	21,790,223
Buildings & Structures	345,462,996	191,329,773

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value ₹		As at 01.04.15		Additions (cost)		Deductions (cost)		As at 31.03.16	
	No. of Shares/ Units	Value ₹	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.(100%)		40,809		–		–		–		40,809
– OOO J J Home (FC) (100%) (ceased to be subsidiary)		6,095,172		–		–		–		6,095,172
b) Others (Quoted)										
– J. J. Exporters Ltd. (held by J. J. Exporters Beneficiary Trust as Treasury Share)	10	81,100,278	1,303,675	–		–		–	1,303,675	81,100,278
c) Others (Unquoted)										
– Ballygunge Services Private Limited	10	10,000	1,000	–		–	1,000	10,000	0	0
Less: Provision for Diminution in Value of Investment				(36,095,172)		(44,203,837)				(80,299,009)
Total (A)				51,151,087		–		10,000		6,937,250
B) CURRENT INVESTMENT										
I) Investment in Govt. Securities (Non-Trade) (Unquoted)										
– National Savings Certificates		12,000		–		–				12,000
II) Investment in Mutual Fund										
– Reliance Growth Fund		12,000	22,538	44,331,000	16,510	32,233,481			6,028	12,097,519
Total (B)				12,000		44,331,000		32,233,481		12,109,519
Grand Total (A + B)				51,163,087		44,331,000		32,243,481		19,046,769

	As at 31st March 2016		As at 31st March 2015	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Aggregate value of Quoted Investments	81,100,278	6,896,441	81,100,278	8,943,211
Aggregate value of Unquoted Investments	6,147,981	NA	6,157,981	NA
Value of Mutual Funds	12,097,519	12,506,316	0	0

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
a) Loans :		
Unsecured, Considered Good :		
- To Body Corporate	-	-
b) Advances to Staff (Unsecured, Considered Good)	-	-
c) Advance Against Capital Goods	-	36,000,000
d) Security Deposits :		
Unsecured, Considered Good :	1,424,597	1,713,426
Total	1,424,597	37,713,426

Note : 10 INVENTORIES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Raw Material	3,783,889	11,809,946
Work in Progress	3,393,945	10,263,250
Finished Goods*	13,224,459	25,150,551
Stores	5,993,457	8,692,565
Packing Materials	58,453	115,612
Total	26,454,203	56,031,924

*Includes stock in trade ₹ 2,241,867 (previous year ₹ 2,967,420)

Note : 11 TRADE RECEIVABLES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Outstanding for a Period Exceeding Six Months		
a) Secured, Considered Good :		-
b) Unsecured, Considered Good :	825,830	1,040,865
c) Unsecured, Considered Doubtful :		
From Related Party		
(ceased to be Subsidiary- O O O J J Homes)		
(Refer Note - 23(12))	20,101,432	20,101,432
Less: Provision for doubtful debts	(20,101,432)	(20,101,432)
	825,830	1,040,865
Others :		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	22,367,698	17,008,812
c) Doubtful :	-	-
	22,367,698	17,008,812
Total	23,193,528	18,049,677

Due from Subsidiary Company ₹ 25,987,118/- (Previous Year ₹ 20,101,432/-) including unsecured considered doubtful ₹ 20,101,432 (Previous Year ₹ 20,101,432)

Note : 12 CASH & BANK BALANCES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
CASH & CASH EQUIVALENT		
Balances With Banks		
a) In Current Account	2,927,805	18,703,465
b) In Foreign Currency Account	20	3,312
c) In Fixed Deposit Account	–	11,420,984
	<u>2,927,825</u>	<u>30,127,761</u>
Cash in Hand		
a) Cash in Hand	189,381	104,348
b) Foreign Exchange on Hand	267,116	–
	<u>456,497</u>	<u>104,348</u>
(A)	<u>3,384,322</u>	<u>30,232,109</u>
OTHER BANK BALANCES		
a) In Margin Deposit Account	4,425,903	4,360,903
(B)	<u>4,425,903</u>	<u>4,360,903</u>
Total (A + B)	<u>7,810,225</u>	<u>34,593,012</u>

Note : 13 SHORT TERM LOANS & ADVANCES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Advance Taxes	75,423,207	77,616,910
Advances Recoverable in Cash or in Kind		
Considered Good	12,561,364	14,875,121
Considered Doubtful	–	470,983
Less:		
Provision for Doubtful Advance	–	(470,983)
	<u>12,561,364</u>	<u>14,875,121</u>
Total	<u>87,984,571</u>	<u>92,492,031</u>

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Interest Accrued	1,523,668	1,230,874
Duty Drawback Receivable	1,368,610	3,343,827
Focus Product License in Hand	436,600	–
TUFS Subsidy Receivable	–	8,350,067
Total	<u>3,328,878</u>	<u>12,924,768</u>

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Sale Of Products		
EXPORT SALES		
Fabrics	116,011,169	137,554,960
Garments & Made-Ups	783,443	3,162,508
	(A) <u>116,794,612</u>	<u>140,717,468</u>
Local Sales/ Realisation	(B) <u>10,947,874</u>	<u>17,974,824</u>
Design & Job Charges	(C) <u>74,050</u>	<u>557,296</u>
	(A + B + C) <u>127,816,536</u>	<u>159,249,588</u>
Export Incentives		
Duty Drawback	6,416,233	7,082,997
Focus Product Incentive Scheme	3,322,008	6,829,255
Service Tax Refund Received	124,061	170,160
	<u>9,862,302</u>	<u>14,082,412</u>
Total	<u>137,678,838</u>	<u>173,332,000</u>

Local Sale includes Retail Showroom Sale of ₹ 2,870,956/- (Previous Year ₹ 440,718/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Interest	1,301,784	1,175,169
Profit/ (Loss) on Sale of Fixed Asset (Net)	27,562,848	84,784,858
Profit/ (Loss) on Sale of Short Term Investment (Net)	490,565	296,464
Provision For Doubtful Debt Written Back	470,983	-
Miscellaneous Receipts & Adjustments (Net)	333,235	3,139,872
Net Gain/ (Loss) on Foreign Currency Transaction and Translation	388,474	322,165
Total	<u>30,547,889</u>	<u>89,718,528</u>

Miscellaneous Receipts & Adjustments (Net) includes Sundry Balances Written Back of NIL (Net of NIL written off) (Previous Year ₹ 2,495,660/- (Net of ₹ 269,217 written off) and Dividend Income of ₹ 143/- (Previous Year ₹ 143/-).

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Raw Material Consumed	37,615,582	41,964,427
Stores Consumed	16,987	16,373
Power & Fuel	2,540,276	7,586,020
Stitching, Embroidery & Designing Charges	4,544,351	6,910,406
Adjustment on account of Valuation of Raw material, Stores and Spares	4,065,629	
Carriage Inward	119,038	151,552
Total	<u>48,901,863</u>	<u>56,628,778</u>
Raw Material Consumption		
- Fabrics	29,134,338	34,045,070
- Yarn*	7,855,290	7,268,404
- Others	625,954	650,953
	<u>37,615,582</u>	<u>41,964,427</u>

* Yarn consumption includes cost of goods sold ₹ 7,104,886 (Previous Year ₹ 7,180,877)

Note : 18 (A) (INCREASE)/DECREASE IN INVENTORIES	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Inventories at the End of the Year		
Work in Progress	3,393,945	10,263,250
Finished Goods*	<u>13,224,459</u>	<u>25,150,551</u>
	<u>16,618,404</u>	<u>35,413,801</u>
Inventories at the Beginning of the Year		
Work in Progress	10,263,250	13,904,458
Finished Goods	<u>25,150,550</u>	<u>34,255,304</u>
	<u>35,413,800</u>	<u>48,159,762</u>
(Increase)/ Decrease in Inventories	<u>18,795,396</u>	<u>12,745,961</u>

* Includes Stock in Trade ₹ 2,241,867 (Previous Year ₹ 2,967,420)

Note : 18 (B) DETAILS OF PURCHASE OF TRADED GOODS	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Silk Fabric	40,674,219	64,059,074
Cotton Fabric	2,754,081	2,602,398
Others (Handicrafts)	12,185	167,520
Total	<u>43,440,485</u>	<u>66,828,992</u>

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Salary, Wages, Bonus, Gratuity & Allowances	28,667,912	29,901,240
Directors' Remuneration	2,254,840	2,247,620
Contribution to Provident Fund , ESI & Other Funds	1,764,163	1,942,364
Staff Welfare Expenses	718,488	836,080
Total	<u>33,405,403</u>	<u>34,927,304</u>

Note : 20 FINANCE COST	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Interest Expense	<u>79,990,367</u>	71,970,739
Total	<u>79,990,367</u>	<u>71,970,739</u>

Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Depreciation	<u>33,253,221</u>	44,116,152
Total	<u>33,253,221</u>	<u>44,116,152</u>

Note : 22 OTHER EXPENSES	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Rent	2,336,422	1,086,941
Printing & Stationery	456,087	489,422
Postage, Telegram & Telephone	1,163,880	1,236,960
Rates & Taxes	1,181,726	1,168,019
Insurance	881,454	1,023,702
Travelling Expenses		
– Foreign Travelling	4,874,832	27,972
– Inland Travelling	745,546	170,094
Conveyance	534,001	510,141
Payment to Auditors		
– As Auditors	286,250	421,350
– For Certification/ Limited Review	48,075	70,225
– For Reimbursement of Expenses	–	24,888
Professional Fees	2,027,432	2,659,150
Directors' Meeting Fees	82,500	77,500
Filing Fees	28,002	33,055
Commission & Brokerage	2,910,462	4,563,236
Selling & Distribution Expenses	5,958,459	3,457,737
Repairs & Maintenance		
– to Building	665,976	1,070,769
– to Machinery	102,589	79,165
– to Others	727,686	1,195,498
Vehicle Maintenance	809,702	1,127,703
Export Credit Guarantee Premium	–	77,758
Export Promotion Expense	78,684	20,836
Export Expense	100,567	152,591
Trade Fair Expense	1,647,153	1,030,261
Service Charge	1,100,151	924,656
Rebates & Discount	981,131	3,612,427
Bad Debt	470,983	–
Provision for Diminution in Value of investment [Refer Note - 23(3)]	44,203,837	–
(Profit)/ Loss on Sale of Long Term Investment (Net)**	–	1,840,840
Bank Charges	1,081,100	1,293,320
Sundry Balances Written off (Net of Written Back)***	9,390,152	–
Miscellaneous Expense	2,416,678	2,840,295
Total	87,291,517	32,286,511

Selling & Distribution Expenses includes-

	2015-2016	2014-2015
Advertisement	448,666	52,343
Samples (Net) *	4,508,623	2,771,854
Packing Expenses	360,496	385,929
Freight & Delivery Charges	640,674	289,669
	5,958,459	3,499,795

* Realisation on account of Samples ₹ 662,782 (Previous Year ₹ 857,127) from buyers have been credited to Sample Expenses Account.

** Net of Profit on Sale of Investment in Subsidiary- J J Creation SA Nil (previous Year ₹ 687,772/-).

*** Sundry Balances Written off of ₹ 10,992,140 net of Sundry balances written back ₹ 1,601,988

Notes Forming Part of the Standalone Financial Statements

Note - 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1 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 realisation.
- 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 on the basis of licences received.

b) Fixed Assets and Capital Expenditure :

- i) Fixed assets are stated at cost which include installation & other expenditure. Such expenditure comprises purchase price, import duties , levies and any directly attributable cost of bringing the assets to their working conditions.
- 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. Finance cost and other allocable expenses during the construction period of the project have been capitalised, proportionately.

c) Depreciation:-

Depreciation is provided on Written Down Value Method as per Schedule II of the Companies Act, 2013, save and except for units J.J.Spectrum Silk and J.J. Exporter Limited- DTA Unit where depreciation has been provided on Straight Line Method as per Schedule II of the Companies Act, 2013. 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 Statement of Profit and Loss in accordance with the Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates".

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) Foreign currency retained out of export proceeds in Exchange Earner's 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.
- iii) Commission to foreign agents is converted at exchange rates prevailing at the time of accounting such liability in the company's books.

- iv) 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.
- v) Current Assets and Liabilities in foreign currencies are converted at exchange rates prevailing at the year end, except in case of Forward contract booked by the company against these Assets / Liabilities, which have been converted at the contracted rates.

g) Employee benefits:-

- i) Short-term employee benefits including Leave Encashment are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

- ii) Post Employment Benefits and other Long Term Employee Benefits include:

Defined Contribution Plans:

Company's contribution to Provident Fund and Employee State Insurance Fund is 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 Statement of Profit and Loss. The contribution towards Gratuity is funded with LIC.

h) Taxation:-

Income Tax expense comprises of 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 the balance sheet date and if any indicator 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 neither provided for nor disclosed.

k) Government Grants :

State Capital Investment Subsidy has been credited to Capital Reserve Account on receipt basis.

l) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost until the asset is ready for its intended use. A qualifying asset is an asset that necessarily require a substantial period of time to get ready for its intended use or sale. After that, the borrowing costs are recognised as an expense in the period in which they are incurred and it includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs.

2	Contingent Liabilities not provided for :	31.03.2016 ₹	31.03.2015 ₹
	a) Letters of Guarantee	1,440,750	1,375,750
	b) Income Tax pending in appeals	94,162,266	95,485,284
	c) Sales tax claim under Appeal (For this, management expects no liability)	3,013,194	3,013,194
	d) Excise & Custom Duty and Service tax Demand (includes ₹ 48,40,347 penalty on Custom Duty)	12,234,334	12,600,250
	e) Capital Commitment - Net of Advance includes NIL(P.Y. ₹ 3.60 crore)	NIL	24,000,000

3 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 deem fit.

The above shares have been valued at cost. The said shares, being long term in nature, no provision for diminution in value has been done in earlier years. However, as per prudence and in view of the Financial Position, the company has made a provision of ₹ 3,00,00,000/- towards diminution in the year 2013-14 and further provision of ₹ 4,42,03,837/- towards diminution in the year 2015-16 which, according to the management, is appropriate.

4 In the opinion of Board of Directors, all the current assets, loans 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.

5 As the company's business activities falls mainly within a single primary business segment viz. Dealing in Textile Goods, so disclosure requirement of Accounting Standard 17 " Segment Reporting ", notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 has not been given.

6 Related Party Disclosure in accordance with Accounting Standard 18 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

a) Where common control exist	Relationship
For Financial year 2015-16	
i) Spin International Inc.	Wholly Owned Subsidiary Company
ii) Nupur Carpets Private Limited	Associate
For Financial year 2014-15 (P.Y.)	
i) Spin International Inc.	Wholly Owned Subsidiary Company
ii) Nupur Carpets Private Limited	Associate
I) OOO JJ Home	Wholly Owned Subsidiary Company (Ceased to be a Subsidiary)
II) JJ Creation SA	Subsidiary Company (Ceased to be a Subsidiary Company)
b) Key Managerial Personnel.	
i) Sri S.N.Jhunjunwala	Executive-Chairman
ii) Sri Rajiv Jhunjunwala	Vice-Chairman
iii) Sri A.B.Chaturvedi	Whole Time Director
c) Relative of Key Managerial Personnel	
i) Mrs. Kavita Jhunjunwala	Wife of Mr. Rajiv Jhunjunwala, Vice-Chairman
ii) Mrs.Neha Mimani	Daughter of Mr. Rajiv Jhunjunwala, Vice-Chairman

Nature of Transaction	Related parties referred under (a) above		Related parties referred under (b) and (c) above	
	31.03.2016 (₹)	31.03.2015 (₹)	31.03.2016 (₹)	31.03.2015 (₹)
i) Sale of goods	16,425,719	10,672,163	–	–
ii) Remuneration paid	–	–	2,602,840	2,266,620
iii) Receivable	5,885,686	–	–	–
iv) Advance Received	–	21,583,168	–	–
v) Advance Refunded	7,743,924	6,673,336	–	–
vi) Balance of Advance Received	–	15,206,293	–	–
vii) Sample development & designing charges received	–	42,058	–	–
viii) Loan taken (Nupur Carpets Private Limited)	–	2,500,000	–	–
ix) Loan refunded	–	2,500,000	–	–
x) Interest paid	–	16,438	–	–

- 7 The Net worth of the Company has fully eroded. The company has initiated business and debt restructuring. In view of the ongoing restructuring, the accounts of the Company have been prepared on going concern basis.
- 8 Earning per Share :- Disclosure in accordance with Accounting Standard 20 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

	31.03.2016 ₹	31.03.2015 ₹
i) Net profit/(loss) after tax available for equity shareholders	(177,570,392)	(26,535,019)
ii) Weighted Average Number of Equity Shares of ₹ 10/- each	9,262,250	9,262,250
iii) Basic/ Diluted Earning per Share(i/ii)	(19.17)	(2.86)

Earning per Share :- Disclosure in accordance with Accounting Standard 20 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

	31.03.2016 ₹	31.03.2015 ₹
i) Net Profit/ (Loss) before Extra-Ordinary Items but after Tax available for equity shareholders	(177,570,392)	(56,510,383)
ii) Weighted average Number of Equity Shares of ₹ 10/- each	9,262,250	9,262,250
iii) Basic/ Diluted Earning per Share(i/ii)	(19.17)	(6.10)

- 9 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 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

10

	Opening balance ₹	Loan taken during the year ₹	Loan refunded during the year ₹	Maximum balance outstanding during the year ₹	Outstanding at the year end ₹
Current year(2015-16)	-	-	-	-	-
Previous year(2014-15)	-	2,500,000	2,500,000	2,500,000	-

11 Profit and Loss on sale of Investment includes ₹ nil/- (Previous Year - ₹ 1486) on account of Security Transaction Tax paid on such transactions.

12 OOO JJ HOME (ceased to be a subsidiary) had closed its business during the year 2013-14. As a consequence of that, debit balance due from above erstwhile subsidiary amounting to ₹ 20,101,432 still been provided in the financial year 2013-14 and a provision for diminution in value of investment was also done amounting to ₹ 6,095,172 in that year, necessary approval is awaited from Reserve Bank of India for the same.

13

Imports & Consumption (in INR)	Stores 31st March ₹		Raw Materials 31st March ₹	
	2016	2015	2016	2015
a) Imports (C.I.F. Value)	NIL	NIL	NIL	NIL
b) Consumption				
i) Imported	0	0	21,560	579,919
Percentage of Total	0.00%	0.00%	0.07%	1.67%
ii) Indigenous	16,987	16,373	30,489,136	34,203,631
Percentage of Total	100.00%	100.00%	99.93%	98.33%

14 Wholetime Director's Remuneration :

	31.03.2016 ₹	31.03.2015 ₹
a) Salaries & Bonus	1,932,000	1,926,000
b) Contribution to P.F. and other funds	231,840	231,120
c) Other perquisites	91,000	90,500
	<u>2,254,840</u>	<u>2,247,620</u>

15 Foreign Currency income & expenditure :

	31.03.2016 ₹	31.03.2015 ₹
Income :		
i) Export of goods (F.O.B. Basis) (net after adjustment of Sales returns)	116,794,612	140,717,468
ii) Sample & development Cost Received	654,029	491,486
iii) Sundry balances written back (net)	365,830	392,470
iv) Sale of Investment (J J Creation SA)	-	1,151,400

	31.03.2016 ₹	31.03.2015 ₹
Expenditure :		
i) Commission	2,905,319	4,421,211
ii) Travelling	2,905,106	27,972
iii) Foreign Trade Fair	1,647,153	945,186
iv) Subscription	–	30,264
v) Designing Charges	391,562	–
vi) Rebates & discounts	997,668	3,582,776

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 subjudice.

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-fulfillment of terms and conditions.

18 Loans and advances include ₹ 8,269/- (Previous Year amounting to ₹ 8,112/-) balance lying with Central Excise department.

19 There is no amount to be credited to Investors Education & Protection Fund as on 31st March 2016.

20 Interest on term loan is net of TUFs subsidy amounting to ₹ NIL/- (Previous Year ₹ 4,518,636/-).

21 The Disclosure required under Accounting Standard 15 " Employee Benefits " notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 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.

	2015-16 Total (₹)	2014-15 Total (₹)
1) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of obligation as at beginning of the year	15,837,926	19,189,608
Interest cost	1,034,263	1,401,102
Current service cost	730,311	1,152,122
Benefits Paid	(9,736,621)	(8,852,000)
Actuarial (Gain) /Loss on obligations	2,082,103	2,947,094
Present value of obligation as at end of the year	9,947,982	15,837,926
2) Reconciliation of opening and closing balances of Fair value of Plan Assets		
Fair value of Plan Assets at beginning of the year	14,417,989	21,226,209
Expected return on plan assets	878,085	1,421,862
Contribution	2,040,551	489,096
Benefits Paid	(9,736,621)	(8,852,000)
Actuarial Gain /(Loss) on Plan assets	(65,861)	132,822
Fair value of Plan Assets at end of the year	7,534,143	14,417,989

	2015-16 Total (₹)	2014-15 Total (₹)
3) Reconciliation of Fair value of assets and obligations		
Actuarial Gain /(loss) for the year- obligations	(2,082,103)	(2,947,094)
Actuarial Gain /(loss) for the year-plan assets	(65,861)	132,822
Total Gain /(loss) for the year	(2,147,964)	(2,814,272)
Actuarial Gain /(loss) recognised in the year	(2,147,964)	(2,814,272)
4) Amount recognised in balance sheet		
Present value of defined benefit obligation	9,947,982	15,837,926
Fair value of plan assets	7,534,143	14,417,989
Net assets recognised in balance sheet	(2,413,839)	(1,419,937)
5) Expenses recognised during the year in the statement of profit and loss		
Current service cost	730,311	1,152,122
Interest cost	1,034,263	1,401,102
Expected return on plan assets	(878,085)	(1,421,862)
Net Actuarial (gain) /loss recognised in the year	2,147,964	2,814,272
Expenses recognised in the Statement of Profit & Loss	3,034,453	3,945,634
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)	6.00%	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 provides by the actuary.

- 22 Due to unfavourable market conditions and downturn in silk industry, one of the units at Ganagarampur is no more viable to operate. So the company had declared temporary closure w.e.f. 01.12.2013.
- 23 The Company had closed down the operation in its units at Dodaballapur, Bangalore with effect from 01-04-2013 and had disposed off the assets thereon during 2014-15 except Land and Building which is in the process of disposal.
- 24 One of the erstwhile Subsidiary, namely, J J Creations SA had reduced its share capital by ₹ 42,500 in the year 2013-14. The Shares of the said subsidiary were disposed off by the Company during the financial year 2014-15.
- 25 The effect of adjustment on account of one time settlement with one bank was shown as an extraordinary item in the previous year.
- 26 The company has regrouped and rearranged previous year figures to confirm the corresponding figures of this year.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

Standalone Cash Flow Statement for the year ended 31st March 2016

	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax	(176,943,019)	(26,535,019)
Adjustment for:		
Depreciation	33,253,221	44,116,152
Interest Income	(1,301,784)	(1,175,169)
Interest Expense	79,990,367	71,970,739
(Profit)/ Loss on Sale of Investments (Net)	(490,565)	1,544,376
(Profit)/ Loss on sale of Fixed Asset	(27,562,848)	(84,784,858)
Provision for fall in the value of Non-Current Investment	44,203,837	—
Dividend Received	(143)	(143)
Operating Profit before Working Capital Changes	(48,850,934)	5,136,078
Movements In Working Capital :		
Increase/ (Decrease) in Trade Payables	(3,788,425)	(12,213,957)
Increase/ (Decrease) in Other Current Liabilities	(44,508,572)	25,747,248
Decrease/ (Increase) in Trade Receivables	(5,143,851)	31,841,610
Decrease/ (Increase) in Inventories	29,577,721	20,326,056
Decrease/ (Increase) in Long- Term Loans and Advances	288,829	173,918
Decrease/ (Increase) in Short - Term Loans and Advances	2,313,757	7,309,802
Decrease/ (Increase) in Other Current Assets	9,888,684	(1,791,357)
Cash Generated from Operations/ (Used in) Operations	(60,222,791)	76,529,398
Direct Taxes Paid (Net)	(548,728)	(1,753,348)
Net Cash from Operating Activities (A)	(60,771,519)	74,776,050
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets	(224,012)	(873,411)
Sale Of Fixed Assets	47,727,770	97,194,286
Capital Advance for Purchase of Fixed Asset	36,000,000	(36,000,000)
Purchase of Investments	(44,331,000)	(42,700,000)
Sale of Investments	32,734,046	45,628,450
Fixed Deposit held as Margin Money matured	(65,000)	1,132,954
Interest Received	1,008,990	1,032,699
Dividend Received	143	143
Net Cash from Investing Activities (B)	72,850,937	65,415,121

Cash Flow Statement for the year ended 31st March 2016 (Contd.)

	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	–	(60,000,000)
Proceeds/ (Repayment) from Short Term Borrowings (Net)	(37,711,249)	(49,604,016)
Interest Paid	(1,215,956)	(6,911,410)
Dividend Paid (Unclaimed)	–	(145,526)
Net Cash from Financing Activities (C)	(38,927,205)	(116,660,952)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(26,847,787)	23,530,219
Cash and Cash Equivalents at the Beginning of the Year	30,232,109	6,701,890
Cash and Cash Equivalents at the End of the Year	3,384,322	30,232,109
Components of Cash & Cash Equivalents:		
Balances with Banks		
– In Current Account	2,927,805	18,703,465
– In Foreign Currency Account	20	3,312
– In Fixed Deposit Account	–	11,420,984
Cash on Hand	456,497	104,348
	3,384,322	30,232,109

Note:

- Previous year's figures has been regrouped and rearranged wherever necessary.
- The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- Cash & Cash Equivalents as at March 31, 2016 and March 31, 2015 exclude restricted Cash & Bank Balances. The restrictions are primarily on account of Bank Balances held as Margin Money Deposits against Guarantees and Unpaid Bills but includes restricted Bank Balance such as Unpaid Dividends.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF J J EXPORTERS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of J J EXPORTERS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in **sub-paragraph (a) of the Other Matters** paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated Loss and their consolidated cash flows for the year ended on that date.

Further we draw the attention to **clause 25 of note 23** regarding going concern of the holding company.

Others Matters

- (a) We did not audit the financial statements/ financial information of **SPIN INTERNATIONAL INC.**, a foreign subsidiary, whose financial statements/financial information reflect total assets of ₹ **49,665,514/-** as at 31st March, 2016, total revenues of ₹ **61,456,972/-** and net cash flows amounting to ₹ **13,100,755/-** for the year then ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ **1,414,297/-** for the year ended 31st March, 2016, as considered in the consolidated financial statements. These financial

statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies were disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— **Refer Clause 3 of Note 23** to the consolidated financial statements.
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
ICAI Reg.No. 302111E

Anand Prakash
Partner

Membership No. 056485

Place : Kolkata
Date: 18th day of May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

(Referred to Paragraph 1(f) of Report on Other Legal and Regulatory Requirements of our Report of even date)

We have audited the internal financial controls over financial reporting of **J J EXPORTERS LIMITED** as of 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Holding Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
ICAI Reg:No. 302111E

Place : Kolkata
Date: 18th day of May, 2016

Anand Prakash
Partner
Membership No. 056485

Consolidated Balance Sheet as at 31st March 2016

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Shareholders' Fund			
Share Capital	1	92,622,500	92,622,500
Reserves and Surplus	2	<u>(224,732,083)</u>	<u>(45,751,079)</u>
		(132,109,583)	46,871,421
Minority Interest		-	-
Non Current Liabilities			
Long Term Borrowings	3 (A)	-	100,268,480
		-	<u>100,268,480</u>
Current Liabilities			
Short Term Borrowings	3 (B)	507,642,762	121,973,993
Trade Payables	4	12,343,014	17,616,429
(Other than Micro Enterprises & Small Enterprises)			
Other Current Liabilities	5	74,352,487	347,991,894
Short Term Provisions	6	59,605,390	61,720,448
		<u>653,943,653</u>	<u>549,302,764</u>
Total		<u>521,834,070</u>	<u>696,442,665</u>
		As at	As at
		31st March 2016	31st March 2015
II. ASSETS	Note		
Non Current Assets			
Fixed Assets			
Tangible Assets	7	306,523,115	359,686,757
Capital Work In Progress		2,590,374	2,590,374
Non-Current Investments	8 (A)	6,896,441	51,110,278
Long Term Loans and Advances	9	1,424,597	37,713,426
		<u>317,434,527</u>	<u>451,100,835</u>
Current Assets			
Current Investments	8 (B)	12,109,519	12,000
Inventories	10	46,022,487	71,330,602
Trade Receivables	11	26,455,187	26,678,963
Cash and Cash Equivalents	12	24,441,370	38,123,402
Short Term Loans and Advances	13	88,723,497	93,137,964
Other Current Assets	14	6,647,483	16,058,899
		<u>204,399,543</u>	<u>245,341,830</u>
Total		<u>521,834,070</u>	<u>696,442,665</u>

Significant Accounting Policies and Notes to Accounts 23

The Notes referred to Above form an Integral Part of the Financial Statements

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

PARTICULARS	Notes	For the year ended	For the year ended
		31st March 2016	31st March 2015
		₹	₹
I. Revenue from Operations	15	182,327,049	241,724,927
II. Other Income	16	32,417,679	89,846,891
III. Total Revenue (I + II)		214,744,728	331,571,818
IV. Expenses:			
Cost of Materials Consumed & Other Manufacturing Expenses	17	48,901,863	56,628,778
Purchase of Traded Goods	18 (A)	76,013,437	114,021,256
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	18(B)	14,525,791	16,340,768
Employee Benefits Expense	19	41,088,024	42,316,946
Finance Cost	20	79,990,367	71,970,739
Depreciation and Amortisation Expenses	21	33,359,029	44,230,916
Other Expenses	22	99,010,288	43,481,894
IV. Total Expenses		392,888,799	388,991,297
V. Profit/ (Loss) before Prior Period Adjustments, Exceptional Items, Extra-Ordinary Items and Tax (III - IV)		(178,144,071)	(57,419,479)
VI. Prior Period Adjustments		(91,494)	(56,474)
VII. Profit/ (Loss) before Exceptional Items, Extra-ordinary Items and Tax (V - VI)		(178,235,565)	(57,475,953)
VIII. Exceptional Items		—	—
IX. Profit/ (Loss) before Extra-Ordinary Items and Tax (VII - VIII)		(178,235,565)	(57,475,953)
X. Extra-Ordinary Items (Refer note 23 (23))		—	29,975,364
XI. Profit/ (Loss) before tax (IX - X)		(178,235,565)	(27,500,589)
XII. Tax Expense:			
(1) Current Tax/ Wealth Tax		(121,751)	(198,376)
(2) Deferred Tax		—	—
(3) Adjustment on account of Income Tax for Earlier Years		(627,373)	—
XIII. Profit/(Loss) after Tax (XI - XII)		(178,984,689)	(27,698,965)
Less: Minority Interest		—	—
XIV. Profit/(Loss) after Tax and Minority Interest		(178,984,689)	(27,698,965)
XV. Earning per Equity Share before Extra Ordinary Items but after Tax - Basic/ Diluted (Refer Clause 9 of Note 23)		(19.32)	(6.23)
XV. Earning per Equity Share - Basic/ Diluted (Refer Clause 9 of Note 23)		(19.32)	(2.99)

Significant Accounting Policies and Notes to Accounts

23

The Notes Referred to Above form an Integral Part of the Financial Statements

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

S. N. Jhunjhunwala — Executive Chairman

Rajiv Jhunjhunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

NOTE : 1 SHARE CAPITAL	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Authorised Shares		
Equity share Capital		
10,000,000 (Previous Year 10,000,000) shares of ₹ 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up Shares		
Equity share Capital		
1,257,500 (previous year 1,257,500) shares of ₹ 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (previous year 42,500) shares of ₹ 10/- each allotted as fully Paid-Up, pursuant to contract without payment being received in cash.	425,000	425,000
5,876,000 (previous year 5,876,000) shares of ₹ 10/- each allotted as fully Paid-Up, Bonus Shares by way of Capitalisation of Reserve.	58,760,000	58,760,000
2,086,250 (previous year 2,086,250) shares of ₹ 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 number of shares and share capital outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2016 ₹	Nos.	As at 31st March 2015 ₹
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 2016 ₹	Nos.	As at 31st March 2015 ₹
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 as at 31st March, 2016

Particulars	Nos.	As at 31st March 2016 % Holding in the Class
Equity Shares Of ₹ 10 Each		
Nupur Carpets Private Limited	2,411,140	26.03
J J Exporters Beneficiary Trust	1,303,675	14.08
Akhilesh Jhunjhunwala Beneficiary Trust	762,604	8.23
Neha Mimani	1,369,844	14.79

d. Details Of Shareholders holding more than 5% Shares in the Company as at 31st March, 2015

Particulars	Nos.	As at 31st March 2015 % Holding in the Class
Equity Shares Of ₹ 10 Each		
Nupur Carpets Private Limited	2,411,140	26.03
J J Exporters Beneficiary Trust	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	762,604	8.23
S.N. Jhunjunwala (Including S. N. Jhunjunwala HUF)	952,240	10.28
Rajiv Jhunjunwala (Including Rajiv Jhunjunwala HUF)	786,104	8.49

Note : 2 RESERVE & SURPLUS	As at 31st March 2016 ₹	As at 31st March 2015 ₹
a) Capital Reserve		
Pursuant to scheme of Amalgamation		
Opening Balance	1,530,610	1,580,077
Deduction	-	(49,467)
Closing Balance	1,530,610	1,530,610
Capital Subsidy Received from WBIDC	7,934,000	7,934,000
Closing Balance	9,464,610	9,464,610
b) Securities 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		
Opening Balance	3,330	-
Addition	3,685	3,330
Deduction	-	-
Closing Balance	7,015	3,330
d) General Reserve		
Opening Balance	-	344,400,000
Addition	-	-
Deduction	-	(344,400,000)
Closing Balance	-	-
e) Surplus/ (Deficit) as per Statement of Profit and Loss		
Opening Balance	(103,422,919)	(421,014,399)
Add: Transfer from General Reserve	-	344,400,000
Add: Adjustment on Consolidation for Reduction & Diminution in Investments	-	-
Add: Adjustment on Account of Disposal of Investment in Subsidiary	-	890,445
Deduction	(178,984,689)	(27,698,965)
Closing Balance	(282,407,608)	(103,422,919)
Total	(224,732,083)	(45,751,079)

Note : 3 BORROWINGS	As at 31st March 2016				As at 31st March 2015			
	(₹)				(₹)			
	Long term Borrowings (A)	Current maturity of long term borrowings	Short term borrowings (B)	Total Borrowings	Long term Borrowings (A)	Current maturity of long term borrowings	Short term borrowings (B)	Total Borrowings
A. Term Loans								
Secured:-	-							
- From Bank	-		243,747,011	243,747,011	207,662,750			207,662,750
Funding Interest Term Loan From Banks	-		71,358,759	71,358,759	77,710,632			77,710,632
Unsecured:-								
Less: Current Maturity of Long Term borrowings shown as Other Current Liabilities (Refer Note-5)	-	-	-	-	(185,104,902)	185,104,902		-
	-				100,268,480			
B. Working Capital Loan From Bank								
Secured:-								
- Bill Discounted With Banks-Foreign Currency			6,762,840	6,762,840			6,762,840	6,762,840
- Working Capital Term Loan	-			-	91,127,466			91,127,466
Less: Current Maturity of Long Term borrowings shown as Other Current Liabilities (Refer Note-5)	-	-	101,105,935	101,105,935	(91,127,466)	91,127,466		
- Cash Credit From Banks			84,668,217	84,668,217			90,211,153	90,211,153
Unsecured:								
- From Bodies Corporate							25,000,000	25,000,000
TOTAL	-	-	507,642,762	507,642,762	100,268,480	276,232,368	121,973,993	498,474,841

- Working capital facilities with Indian Overseas Bank is secured by first charge on Current Assets of the Company.
- 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 Dodaballabpur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- Further, the working capital limits of Indian Overseas Bank is also secured by personal guarantee of two Directors of the company.
- The said loan from Indian Overseas Bank are subject to confirmation and reconciliation along with interest accrued and due shown in Note 5
- Rupee Term Loan with Industrial Development Bank of India Ltd (IDBI) has been secured as follows:

Purpose	Description of property
Retail Showroom	(i) Plant and machinery of Kolkata EOU on first Charge. (ii) Entire movable property (excluding current assets) of retail showroom on first charge basis. (iii) Stock of Raw Material, WIP and Finished goods of all units on second charge
Dodaballabpur	(i) First charge on Land and Building at Dodaballabpur. (ii) First charge on movable and immovable assets (except Stock) of J.J.Spectrum (unit of J J Exporter Ltd) (iii) First charge on movable and immovable assets (except Stock) of EOU at Kolkata
Kolkata EOU	(i) Whole of movable properties (other than Stock) of the Company's unit situated at Gangarampur, EOU-I and EOU -II (ii) Land measuring 40,000 sq. feet together with building thereon. Plant and machinery on first charge. (iii) Personal guarantee of a Director.

f) Terms of Repayment of Term Loans/ FITL From IDBI and IOB

The one time settlement for the loan from Industrial Development Bank of India(IDBI) amounting to ₹ 31.51 crores is withdrawn by the bank due to non compliance and the bank called back for the repayment of the loans with interest. So, the said loan is shown under short term borrowings for the year 2015-16. The bank has also served a notice under section 13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act,2002 during the year.

Loan from Indian Overseas Bank (IOB) to the extent of ₹ 22.44 crores (including interest thereon), subject to confirmation was already called back by the bank for repayment during the year 2013-14 which has not been paid till date. However, the bank has approved one time settlement for the outstanding loans for which necessary compliances are in process. So, the loan amount is shown as short term borrowing in the year 2015-2016

- g) **The interest is provided by the company at the rate of 15%p.a. on loan from Indian Overseas Bank(IOB).**
- h) **Terms of Repayment of Term loan, Working capital loan and Funding Interest Term Loans From Banks for previous year:**
A) IDBI Bank Limited

The IDBI Bank Limited has approved One Time Settlement (OTS) of its dues on account of Term Loan and Funding Interest Term Loan, the repayment of which is as follows:

₹ 15 crore was to be paid by selling Dodaballabpur unit by March, 2015, the remaining Term Loan of ₹ 57,662,750/- is to be repaid w.e.f. 1st April 2015 in 59 monthly installments of ₹ 965,000/- and one installment of ₹ 727,750/-.

The Funding Interest Term Loan of ₹ 67,732,163/- is to be repaid in 60 monthly installments w.e.f 1st April 2015.

B) Indian Overseas Bank

The Working Capital Loans and Funding Interest Term Loan has been recalled by Indian Overseas Bank. Hence, the said loan is shown as Current Maturity of Long Term Borrowings and is included in Other Current Liabilities (Refer Note 5). However, the Company has approached the bank for One Time Settlement.

Note : 4 TRADE PAYABLES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Sundry Creditors for Goods and Services (Other than Micro Enterprises & Small Enterprises)	12,343,014	17,616,429
Total	<u>12,343,014</u>	<u>17,616,429</u>

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 2016 ₹	As at 31st March 2015 ₹
Interest Accrued & Due on Borrowings	65,597,540	33,702,299
Current Maturity of Long Term Loans (Refer Note 3)	—	276,232,368
Advance from Customers	1,882,409	30,956,058
Payable for Employee Benefits	3,932,233	3,940,822
Other Payables	275,930	250,454
Statutory Liabilities	1,173,448	1,489,956
Other Current Liabilities	1,490,927	1,419,937
Total	<u>74,352,487</u>	<u>347,991,894</u>

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Provision For Tax	59,605,390	61,720,448
Total	<u>59,605,390</u>	<u>61,720,448</u>

Note : 7 FIXED ASSETS

PARTICULARS	COST			ACCUMULATED DEPRECIATION & AMORTISATION						NET BOOK VALUE	
	01.04.2015 ₹	Addition ₹	Deduction ₹	31.03.2016 ₹	01.04.2015 ₹	Charge for The Year ₹	Transitional Depreciation ₹	Deduction/ Adjustment ₹	31.03.2016 ₹	31.03.2016 ₹	31.03.2015 ₹
TANGIBLE ASSETS FREE HOLD LAND**	23,359,863	-	-	23,359,863	-	-	-	-	-	23,359,863	23,359,863
LEASEHOLD LAND	366,381	-	-	366,381	234,741	12,213	-	-	246,954	119,427	131,640
BUILDINGS & STRUCTURES**	376,481,890	-	27,911,561	348,570,329	161,005,186	15,819,239	-	9,747,382	167,077,043	181,493,286	215,476,704
LEASEHOLD SHED	539,732	-	-	539,732	539,732	-	-	-	539,732	-	-
PLANT & EQUIPMENTS	672,399,492	37,580	1,005,000	671,432,072	572,067,011	10,267,716	-	693,342	581,641,385	89,790,687	100,332,481
OFFICE EQUIPMENTS	71,164,192	186,432	3,749,330	67,601,294	58,437,395	4,663,063	-	2,980,126	60,120,332	7,480,962	12,726,797
FURNITURE & FIXTURES	26,250,414	122,718	4,008,943	22,364,189	20,736,386	1,907,445	-	3,142,846	19,500,985	2,863,204	5,514,028
VEHICLES	6,301,746	-	804,083	5,497,663	4,156,502	689,353	-	763,878	4,081,977	1,415,686	2,145,244
TOTAL	1,176,863,710	346,730	37,478,917	1,139,731,523	817,176,953	33,359,029	-	17,327,574	833,208,408	306,523,115	359,686,757
PREVIOUS YEAR	1,218,886,722	873,411	42,896,423	1,176,863,710	803,451,406	40,070,026	4,160,890	30,505,369	817,176,953	359,686,757	-

* Leasehold land is being depreciated over the period of lease.

In the holding company, Pursuant to the enactment of the Companies Act, 2013 ("the Act"), the Company has, effective 01.04.2014, reviewed and revised the estimated useful lives of its Fixed Assets, generally, in accordance with the provisions of Schedule II of the Act as a result of which Previous Year's figures have been regrouped and rearranged, wherever necessary. The consequential impact on Depreciation is higher by ₹ NIL (previous year ₹ 7,665,261/-) and the Written Down Value of Fixed Assets whose lives have expired as at 01.04.2014 have been charged in the Statement of Profit and Loss ₹ NIL (previous year ₹ 4,160,890) as Depreciation.

** Includes Assets held for Sale as at 31st March, 2016:

	Gross Value ₹	Net Book Value ₹
Free Hold Land	21,790,223	21,790,223
Buildings & Structures	345,462,996	191,329,773

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value ₹	As at 01.04.15		Additions (cost)		Deductions (cost)		As at 31.03.16	
		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									
Others (Quoted)	10	1,303,675	81,100,278	-	-			1,303,675	81,100,278
-J. J. Exporters Ltd. (held by J. J. Exporters Beneficiary Trust as Treasury Share)									
Others (Unquoted)	10	1,000	10,000			1,000	10,000	0	0
Ballygunge Services Private Limited			(30,000,000)		(44,203,837)				(74,203,837)
Less: Provision for Diminution in Value of Investment			51,110,278		-44,203,837		10,000		6,896,441
Total (A)									
B) CURRENT INVESTMENT									
I) Investment in Govt. Securities (Others) (Unquoted)									
-National Savings Certificates			12,000		-				12,000
II) Investment in Mutual Fund									
-Reliance Growth Fund			12,000	22,538	44,331,000	16,510	32,233,481	6,028	12,097,519
Total (B)					44,331,000		32,233,481		12,109,519
Total (A + B)			51,122,278		127,163		32,243,481		19,005,960
Total			51,122,278						19,005,960

	As at 31st March 2016		As at 31st March 2015	
	Cost ₹	Market Value/NAV ₹	Cost ₹	Market Value/NAV ₹
Aggregate value of Quoted Investments	81,100,278	6,896,441	81,100,278	8,943,211
Aggregate value of Unquoted Investments	12,000	NA	22,000	NA
Value of Mutual Funds	12,097,519	12,506,316	-	-

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
a) Loans :		
Unsecured, Considered Good :		
– To Others	–	–
b) Advances to Staff (Unsecured- Considered Good)	–	–
c) Advance Against Capital Goods	–	36,000,000
d) Security Deposits :		
Unsecured, Considered Good :	<u>1,424,597</u>	<u>1,713,426</u>
Total	<u><u>1,424,597</u></u>	<u><u>37,713,426</u></u>

Note : 10 INVENTORIES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Raw Material	3,783,889	11,809,946
Work In Progress	3,393,945	10,263,250
Finished Goods*	32,792,743	40,449,229
Stores	5,993,457	8,692,565
Packing Materials	<u>58,453</u>	<u>115,612</u>
Total	<u><u>46,022,487</u></u>	<u><u>71,330,602</u></u>

* Includes Stock in Trade of ₹ 21,810,151/- (Previous Year ₹ 18,266,098/-)

Note : 11 TRADE RECEIVABLES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Outstanding for a Period exceeding Six Months		
a) Secured, Considered Good :	–	–
b) Unsecured, Considered Good :	<u>825,830</u>	<u>1,040,865</u>
	<u>825,830</u>	<u>1,040,865</u>
Others :		
a) Secured, Considered Good :	–	
b) Unsecured, Considered Good :	<u>25,629,357</u>	<u>25,638,098</u>
	<u>25,629,357</u>	<u>25,638,098</u>
Total	<u><u>26,455,187</u></u>	<u><u>26,678,963</u></u>

Note : 12 CASH & BANK BALANCES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
CASH & CASH EQUIVALENT		
Balances With Banks		
a) In Current Account	19,558,950	22,233,855
b) In Foreign Currency Account	20	3,312
c) In Fixed Deposit Account	–	11,420,984
	19,558,970	33,658,151
Cash On Hand		
a) Cash on Hand	189,381	104,348
b) Foreign Exchange on Hand	267,116	–
	456,497	104,348
	(A) 20,015,467	33,762,499
OTHER BANK BALANCES		
a) In Margin Deposit Account	4,425,903	4,360,903
	(B) 4,425,903	4,360,903
Total (A + B)	24,441,370	38,123,402

Note : 13 SHORT TERM LOANS & ADVANCES	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Advance Tax	75,423,207	77,616,910
Advances recoverable in Cash or in kind		
Considered Good	13,300,290	15,521,054
Considered Doubtful	–	470,983
Less:		
Provision for Doubtful Advance	–	(470,983)
Total	88,723,497	93,137,964

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Interest Accrued	1,523,668	1,230,874
Duty Draw back Receivable	1,368,610	3,343,827
Focus Product License In hand	436,600	–
TUFS Subsidy Receivable	–	8,350,067
Hotel Facility in Hand (Hotel Hilton)	3,318,605	3,134,131
Total	6,647,483	16,058,899

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Sale Of Products		
SALES		
Fabrics	160,659,380	205,947,887
Garments & Made-Ups	783,443	3,162,508
	(A)	209,110,395
Local Sales/ Realisation	(B)	17,974,824
Design & Job Charges	(C)	557,296
	(A + B + C)	227,642,515
Export Incentives		
Duty Drawback	6,416,233	7,082,997
Focus Product Incentive Schemes	3,322,008	6,829,255
Service Tax Refund Received	124,061	170,160
	9,862,302	14,082,412
Total	182,327,049	241,724,927

Local Sale includes Retail Showroom Sale of ₹ 2,870,956/- (Previous Year ₹ 440,718/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Interest	1,301,784	1,175,169
Profit/ (Loss) on Sale of Fixed Asset (Net)	27,562,848	84,784,858
Profit/ (Loss) on Sale of Short term Investment (Net)	490,565	296,464
Provision For doubtful debt written back	470,983	-
Net Gain/(Loss) on Foreign Currency transaction and translation	1,875,222	(632,404)
Miscellaneous Receipts & Adjustments (Net)	716,277	4,222,804
Total	32,417,679	89,846,891

Miscellaneous Receipts & Adjustments (Net) includes Sundry Balances Written Back of NIL (Net of NIL written off) (Previous Year ₹ 2,495,660/- (Net of ₹ 269,217 written off) and Dividend Income of ₹ 143/- (Previous Year ₹ 143/-).

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Raw Material Consumed	37,615,582	41,964,427
Stores Consumed	16,987	16,373
Power & Fuel	2,540,276	7,586,020
Stitching , Embroidery & Designing Charges	4,544,351	6,910,406
Adjustment on account of Valuation of Raw material, Stores and Spares	4,065,629	-
Carriage Inward	119,038	151,552
Total	48,901,863	56,628,778
Raw Material Consumption		
- Fabrics	29,134,333	34,045,070
- Yarn	7,855,290	7,268,404
- Others	625,959	650,953
	37,615,582	41,964,427

* Yarn consumption includes cost of goods sold ₹ 7,104,886 (Previous Year ₹ 7,180,877)

Note: 18 (A) PURCHASE OF TRADED GOODS	2015-2016	2014-2015
Silk Fabric	73,247,171	111,251,338
Cotton Fabric	2,754,081	2,602,398
Others (Handicrafts & Showroom)	12,185	167,520
Total	76,013,437	114,021,256

Note : 18 (B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Inventories at the end of the year		
Work in Progress	3,393,945	10,263,250
Finished Goods*	13,224,459	25,150,551
Stock in Trade	19,568,284	19,139,775
	<u>36,186,688</u>	<u>54,553,576</u>
Inventories at the beginning of the year		
Work in Progress	10,263,250	13,904,458
Finished Goods	25,150,551	34,255,305
Stock in Trade	15,298,678	22,734,581
	<u>50,712,479</u>	<u>70,894,344</u>
(Increase)/ Decrease in Inventories	14,525,791	16,340,768

* Includes Stock in Trade of ₹ 21,810,151/- (Previous Year ₹ 18,266,098/-)

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Salary, Wages, Bonus, Gratuity & Allowances	36,350,533	37,290,882
Director's Remuneration	2,254,840	2,247,620
Contribution to Provident Fund , ESI & Other Fund	1,764,163	1,942,364
Staff Welfare Expenses	718,488	836,080
Total	41,088,024	42,316,946

Note : 20 FINANCE COST	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Interest Expense	79,990,367	71,970,739
Total	79,990,367	71,970,739

Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2016	For the year ended 31st March 2015
	₹	₹
Depreciation	33,359,029	44,230,916
Total	33,359,029	44,230,916

Note : 22 OTHER EXPENSES	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
Rent	5,958,271	4,491,085
Printing & Stationery	456,087	516,062
Postage, Telegram & Telephone	2,399,307	2,279,305
Rates & Taxes	1,835,211	1,497,350
Insurance	2,359,094	2,387,470
Travelling Expenses	5,661,821	1,005,831
Conveyance	534,001	510,141
Payment to Auditors		
– As Auditors	286,250	421,350
– For Certification/Limited review	48,075	70,225
– For Reimbursement of Expenses	–	24,888
Professional Fees	2,559,166	3,447,778
Directors' Meeting Fees	82,500	77,500
Filing Fees	28,002	33,055
Commission & Brokerage	3,380,902	5,284,642
Selling & Distribution Expenses	5,958,459	3,499,795
Repairs & Maintenance		
To Building	665,976	1,070,769
To Machinery	102,589	79,165
To Others	727,686	1,195,498
Vehicle Maintenance	809,702	1,127,703
Export Credit Guarantee Premium	–	77,758
Export Promotion Expense	78,684	20,836
Export Expense	100,567	152,591
Trade Fair Expense (Net)	1,647,153	1,030,261
Service Charge	1,100,151	924,656
Rebate & Discount	981,131	3,612,427
Bad Debt	470,983	–
Provision for Diminution in value of Investment [Refer Note -23(4)]	44,203,837	–
(Profit)/ Loss on Sale of Long Term Investment (Net)**	–	1,840,840
Bank Charges	1,776,221	2,051,781
Sundry Balances Written off (Net of Written Back)***	9,390,152	–
Miscellaneous Expense	5,408,310	4,751,132
Total	99,010,288	43,481,894
Selling & Distribution Expenses includes-	2015-2016	2014-2015
Advertisement	448,666	52,343
Samples (Net) *	4,508,623	2,771,854
Packing Expenses	360,496	385,929
Freight & Delivery Charges	640,674	289,669
	5,958,459	3,499,795

* Realisation on account of Samples ₹ 662,782/- (Previous Year ₹ 857,127/-) from buyers have been credited to Sample Expenses Account.

** Net of Profit on Sale of Investment in Subsidiary- J J Creation SA Nil (previous Year ₹ 687,772/-).

***Sundry Balances Written off of ₹ 10,992,140/- net of Sundry balances written back ₹ 1,601,988/-

Notes Forming Part of the Consolidated Financial Statements
NOTE-23 : Significant Accounting Policies and Notes to Accounts
1 Subsidiaries

The consolidated financial statements present the consolidated account of J J Exporters Limited with the following subsidiary for the year 2015-2016:-

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

The consolidated financial statements present the consolidated account of J J Exporters Limited with the following subsidiary for the year 2014-2015:-

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 SA *	Belgium	85.00%

***Note: The Holding Company J J Exporters Limited has disposed off its Investment in the Subsidiary J J Creations SA in the year 2014-15 and Ceased to be a Subsidiary.**

- 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.

PARTICULARS	31.03.2016	31.03.2015
	₹	₹
3 Contingent Liabilities not provided for :		
(a) Letters of Guarantee	1,440,750	1,375,750
(b) Income Tax pending in appeals	94,162,266	95,485,284
(c) Sales Tax claim under Appeal (For this, management expects no Liability)	3,013,194	3,013,194
(d) Excise & Custom Duty and Service tax Demand (includes ₹ 48,40,347 penalty on Custom Duty)	12,234,334	12,600,250
(e) Capital Commitment - Net of Advance includes NIL(P.Y. ₹ 3.60 crore)	NIL	24,000,000

- 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 deem fit.

The above shares have been valued at cost. The said shares, being long term in nature, no provision for diminution in value has been done in earlier years. However, as per prudence and in view of the Financial Position, the company has made a provision of ₹ 3,00,00,000/- towards diminution in the year 2013-14 and further provision of ₹ 4,42,03,837/- towards diminution in the year 2015-16 which, according to the management, is appropriate.

- 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 the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 has not been given.

7 **Related Party Disclosure in accordance with Accounting Standard 18 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.**

Name of the Related Party	Relationship
a) Where Common Control Exists	
Nupur Carpets Private Limited	Associate
b) Key Managerial Personnel	
i) Sri S.N. Jhunjhunwala	Executive-Chairman
ii) Sri Rajiv Jhunjhunwala	Vice-Chairman
iii) Sri A.B. Chaturvedi	Whole Time Director
c) Relative of Key Managerial Personnel	
i) Mrs. Kavita Jhunjhunwala	Wife of Mr. Rajiv Jhunjhunwala, Vice-Chairman
ii) Mrs. Neha Mimani	Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman

Name of Transaction	31.03.2016		31.03.2015	
	In Respect of (a) & (b) above	In Respect of (c) above	In Respect of (a) & (b) above	In Respect of (c) above
	₹	₹	₹	₹
Remuneration Paid	2,254,840	348,000	2,247,620	19,000
Loan taken	–	–	2,500,000	–
Loan refunded	–	–	2,500,000	–
Interest paid	–	–	16,438	–

8 The Net worth of the Company has fully eroded. The company has initiated business and debt restructuring. In view of the ongoing restructuring, the accounts of the Company have been prepared on going concern basis.

9 **Earning per Share (after tax):- Disclosure in accordance with Accounting Standard 20 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.**

	2015-16 (₹)	2014-15 (₹)
i) Net Profit/(Loss) after Tax available for Equity Shareholders	(178,984,689)	(27,698,965)
ii) Weighted average Number of Equity Shares of ₹ 10/- each	9,262,250	9,262,250
iii) Basic/ Diluted Earning Per Share (i/ii)	(19.32)	(2.99)

Earning per Share (before Extra-ordinary item but after tax):- Disclosure in accordance with Accounting Standard 20 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

	31.03.2016	31.03.2015
	(₹)	(₹)
i) Net Profit/ (Loss) before Extra-Ordinary Items but after Tax available for equity shareholders	(178,984,689)	(57,674,329)
ii) Weighted average Number of Equity Shares of ₹ 10/- each	9,262,250	9,262,250
iii) Basic/ Diluted Earning per Share (i/ii)	(19.32)	(6.23)

10 As a matter of prudence, no deferred tax assets has been recognised in the accounts, in accordance with "Accounting Standard 22" notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

11 Wholetime Directors' Remuneration:

PARTICULARS	31.03.2016 (₹)	31.03.2015 (₹)
a) Salaries and Bonus	1,932,000	1,926,000
b) Contribution to P.F. and other Funds	231,840	231,120
c) Other Perquisites	91,000	90,500
Total	2,254,840	2,247,620

12 Loans taken from Nupur Carpets Private Limited (Associate)

	Opening Balance (₹)	Loan taken during the year (₹)	Loan Refunded during the year (₹)	Maximum Balance Outstanding during the year (₹)	Outstanding at the year end (₹)
Current year(2015-16)	–	–	–	–	–
Previous year(2014-15)	–	2,500,000	2,500,000	2,500,000	–

- 13 Loans and advances include ₹ 8,269/- (Previous Year amounting to ₹ 8,112/-) balance lying with Central Excise department.
- 14 Land measuring about 2.07 acre duly conveyed in the name of one of the unit of the company by the State Government has been disputed by the original owner and the matter is subjudice.
- 15 Profit and Loss on sale of Investment includes ₹ NIL/- (Previous Year - ₹ 1,486) on account of Security Transaction Tax paid on such transactions.
- 16 There is no amount due to be credited to Investors Education & Protection Fund as on 31st March, 2016.
- 17 Interest on term loan is net of TUFs subsidy amounting to ₹ NIL/- (Previous Year ₹ 4,518,636/-).
- 18 Due to unfavourable market conditions and downturn in silk industry, one of the units at Ganagarampur is no more viable to operate. So the company had declared temporary closure w.e.f. 01.12.2013.
- 19 One of the erstwhile Subsidiary,namely, J J Creations SA had reduced its share capital by € 42,500 in the year 2013-14. The Shares of the said subsidiary were disposed off by the Company during the financial year 2014-15.

20 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, 2016. In case of Foreign Subsidiary, they have got their accounts compiled by their Auditors for the year ended 31st March, 2016.

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

B) Principal of Consolidation :

- i) The Financial Statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealised profits to the extent possible.

- 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 & except, realisation on account of samples which are accounted for on settlement/receipt basis in view of uncertainty of realisation.
- ii) 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 on the basis of licences received.

D) Fixed Assets and Capital Expenditure:

- i) 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 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, Finance cost and other allocable expenses during the construction period of project have been capitalised proportionately.

E) Depreciation:

Depreciation is provided on Written Down Value Method as per Schedule II of the Companies Act, 2013, save and except for units J.J.Spectrum Silk and J.J. Exporter Limited- DTA Unit where depreciation has been provided on Straight Line Method as per Schedule II of the Companies Act, 2013. 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 to the extent of the applicability for the consolidated financial statements.

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 have 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 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.

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 calculated 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 is being accounted for during the life of the contract.

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

I) Employee Benefits:

- i) Short-term employee benefits including Leave Encashment are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Post employment benefits and other long term employee benefits includes :

Defined Contribution Plans:

Company's contribution to Provident Fund and Employee State Insurance Fund is 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 Statement of Profit and Loss. 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 as at each Balance Sheet date based on developments 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 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 neither provided for nor disclosed.

M) Government Grants :

State Capital Investment Subsidy has been credited to Capital Reserve account on receipt basis.

N) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost until the asset is ready for its intended use. A qualifying asset is an asset that necessarily require a substantial period of time to get ready for its intended use or sale. After that, the borrowing costs are recognised as an expense in the period in which they are incurred and it includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs.

- 21 The Company had closed down the operation in its units at Dodaballabpur, Bangalore with effect from 01-04-2013 and had disposed off the assets thereon in the Previous year except Land and Building which is in the process of disposal.

- 22 The financial statements of J J Creations SA included in the Statement of Profit & Loss upto 30th September, 2014 excluding Minority interest of 15%, as it ceased to be a Subsidiary Company during the year 2014-15 and other subsidiary OOO J J Home, which closed its operation in the year 2013-14, also not included in the financial statements. So Previous year figures are not comparable.
- 23 The effect of adjustment on account of one time settlement with one bank was shown as an extraordinary item in the previous year.
- 24 The company has regrouped and rearranged previous year figures to confirm the corresponding figures of this year.
- 25 The Net worth of the holding company has been fully eroded and it has initiated business and debt restructuring in view of ongoing restructuring, the account of the company and consolidation have been prepared on going concern basis

26 Additional Information for the Consolidated Financial Statements for the year ended 31st March, 2016

Name of the Entity in the	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent Subsidiaries				
Indian				
NONE				
Foreign				
1 SPIN INTERNATIONAL INC (100% Subsidiary)	N.A.*	42,634,643	0.79%	(1,414,297)
2 J J CREATIONS SA	—	—	—	—
3 OOO J J HOME	—	—	—	—
Associates Indian/Foreign				
NONE				
Joint Venture Indian/Foreign				
NONE				

NOTE:

The financial statements of subsidiary OOO J J Home, which closed its operation in the year 2013-14, not included in the consolidated financial statements.

* As the consolidated net worth is negative, percentage of contribution of subsidiary to the net worth of consolidated financial statement is not applicable.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 18th Day of May, 2016

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Dipali Sharma — Director

Consolidated Cash Flow Statement for the year ended 31st March 2016

(Amount in ₹ lacs)

	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax	(1,782.36)	(275.01)
Adjustment for:		
Depreciation	333.59	442.31
Interest Income	(13.02)	(11.75)
Interest Expense	799.90	719.71
(Profit)/ Loss On Sale of Investments	(4.91)	15.44
(Profit)/ Loss On Sale Of Fixed Asset	(275.63)	(847.85)
Provision for fall in Value of Non- Current Investment	442.04	-
Adjustment on Consolidation, Reduction, Disposal etc	-	(2.85)
Operating Profit before Working Capital Changes	<u>(500.39)</u>	<u>40.00</u>
Movements In Working Capital :		
Increase/ (Decrease) in Trade Payables	(52.73)	(204.91)
Increase/ (Decrease) in Other Current Liabilities	(293.02)	143.43
Decrease/ (Increase) in Trade Receivables	2.24	369.74
Decrease/ (Increase) in Inventories	253.08	277.62
Decrease/ (Increase) in Long- Term Loans and Advances	2.89	1.74
Decrease/ (Increase) in Short - Term Loans and Advances	22.20	110.88
Decrease/ (Increase) in Other Current Assets	97.04	(18.63)
Cash Generated from Operations/ (Used in) Operations	<u>(468.69)</u>	<u>719.87</u>
Direct Taxes Paid (Net)	(6.70)	(19.52)
Net Cash from Operating Activities (A)	<u>(475.39)</u>	<u>700.35</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets	(3.47)	(8.73)
Sale Of Fixed Assets	477.28	971.94
Capital Advance Given	360.00	(360.00)
Effect of Exchange Rate Change on Consolidation	(0.08)	(0.59)
Purchase of Investments	(443.31)	(427.00)
Sale of Investments	327.34	456.28
Fixed Deposit held as Margin Money matured	(0.65)	11.33
Interest Received	10.09	10.33
Net Cash from Investing Activities (B)	<u>727.20</u>	<u>653.56</u>

Consolidated Cash Flow Statement for the year ended 31st March 2016 (Contd.)

	For the year ended 31st March 2016 ₹	For the year ended 31st March 2015 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	—	(600.00)
Proceeds/ (Repayment) from Short Term Borrowings (Net)	(377.11)	(496.04)
Interest Paid	(12.16)	(69.11)
Dividend Paid (Unclaimed)	—	(1.46)
Net Cash from Financing Activities (C)	<u>(389.27)</u>	<u>(1,166.61)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	(137.46)	187.30
Cash and Cash Equivalents At The Beginning Of The year	337.62	150.32
Cash and Cash Equivalents At The End Of The year	<u>200.16</u>	<u>337.62</u>
Components of Cash & Cash Equivalents		
Balances With Banks		
– In Current Account	195.59	222.34
– In Foreign Currency Account	—	0.03
– In Fixed Deposit Account	—	114.21
Cash On Hand	4.57	1.04
	<u>200.16</u>	<u>337.62</u>

Note:

- Previous year's figures have been regrouped and rearranged, wherever necessary.
- The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- Cash & Cash Equivalents as at March 31, 2016 and March 31, 2015 exclude restricted Cash & Bank Balances. The restrictions are primarily on account of Bank Balances held as Margin Money Deposits against Guarantees and Unpaid Bills but includes restricted Bank Balance such as Unpaid Dividends.

For and on Behalf of the Board

For **SALARPURIA JAJODIA & CO.**
Chartered Accountants
ICAI Reg. No. 302111E
Anand Prakash
Partner
(Membership No. 056485)
Place : Kolkata
Dated: 18th Day of May, 2016

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman
A. B. Chaturvedi — Director & CFO
H. S. Senapati — Director
Dipali Sharma — Director

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