



BOARD OF DIRECTORS

Mr. S. N. Jhunjunwala

Executive Chairman

Mr. Rajiv Jhunjunwala

Vice-Chairman

Mr. P. K. Singhi

Director

Mr. M. L. Gulrajani

Director

Mr. P. J. Sheth

Director

Mr. P. K. Sarkar

Director

Mr. A. B. Chaturvedi

Director

COMPANY SECRETARY

Mr. S. L. Agrawal

BANKERS

Indian Overseas Bank

The Federal Bank Ltd.

IDBI Bank Ltd.

AUDITORS

1. Statutory

Salarpuria Jajodia & Co.

Chartered Accountants

7, Chittaranjan Avenue

Kolkata - 700 072

2. Internal

A. Singhi & Co.

Chartered Accountants

27/9, Waterloo Street,

2nd Floor,

Kolkata-700 069

3. Cost

Mani & Co.

111, Southern Avenue

Kolkata - 700 029

REGISTERED OFFICE

23C, Ashutosh Chowdhury Avenue

Kolkata - 700 019, West Bengal

Phone : (033) 2461 4775

BHAGALPUR OFFICE / WORKS

Bounsi Road, Bhagalpur - 812 002, Bihar

Phone : (0641) 242 0829 & 242 3431

BANGALORE OFFICE / WORKS

A12 & A13, Apparel Park Area

1st Phase, Doddaballapur - 561 203, Karnataka

Phone : (080) 2807 8900

J. J. SPECTRUM SILK

Mouza-Gangarampur, Post: Bishnupur

Dist. 24 Parganas (S), West Bengal

Phone : (033) 2480 8686/87

RETAIL SHOWROOM

Onset

51/2, Hindustan Park,

Kolkata - 700 029

Phone : (033) 2419 6860/61

ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Fortieth Annual General Meeting** of the Members of **J. J. EXPORTERS LIMITED** will be held at Kala Kunj, 48 Shakespeare Sarani, Kolkata - 700 017 on Wednesday, the 14th day of August, 2013 at 4.00 p.m. to transact the following business :

As Ordinary Business

1. To receive and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, the Profit & Loss Account for the year ended as on that date and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. P. K. Singhi who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Salarpuria Jajodia & Co., Chartered Accountants, Retiring Auditors, as Auditors of the Company and fix their remuneration.

As Special Business

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION**

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

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

RESOLVED pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Article No.104 of the Articles of Association of the Company that consent of the Company be and is hereby accorded to the appointment of Mr. A. B. Chaturvedi as a Whole Time Director of the Company for a period of five years with effect from 16.08.2012 at the following remuneration :

i)	Basic Salary	Rs.53,000/- per month.
ii)	Leave Travelling Assistance	One month salary per annum.
iii)	Medical Reimbursement	Rs.35,000/- per annum.
iv)	Annual Increment	As may be decided by the Board of Directors from time to time.
v)	Contribution to Provident Fund	Contribution to Provident Fund @12% of salary or at such rate as may be permitted by the Provident Fund Act.

RESOLVED FURTHER that Mr. A. B. Chaturvedi shall be paid above remuneration as minimum remuneration in case of loss or inadequacy of profit in any financial year.

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION**

"RESOLVED THAT in supercession of all earlier resolutions, if any, and pursuant to clause(d) of subsection (1) of section 293 and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent be and is hereby accorded to the Board of Directors for borrowing for and on behalf of the Company, from time to time, any sum or sums of moneys, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but so that total amount upto which moneys to be so borrowed shall not at any time exceed Rs.100 crores (Rupees One hundred crores)."

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 18th May, 2013

By Order of the Board

S. L. Agrawal
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 7th August, 2013 to 10th August, 2013 (both days inclusive).
3. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
4. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy to the meeting.
5. Members desirous of having any information on the business to be transacted at the Annual General Meeting are requested to address their queries to the Executive Chairman at the Registered Office of the Company at least seven days before the date of the meeting, so that requisite information is made available at the meeting.
6. The Members of the Company are informed that in terms of Section 205C introduced by the Companies (Amendment) Act, 1999, the amount of Dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Protection Fund constituted by the Central Government and the Shareholders would not be able to claim any amount of the Dividend so transferred to the Fund. As such, shareholders who have not encashed their Dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding Dividends declared by the Company during the year 2006 to 2008.
7. Mr. P. K. Singhi retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Mr. A. B. Chaturvedi was appointed as Whole Time Director during the year. The information pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement is furnished in the Report on Corporate Governance published in this Annual Report.

ANNEXURE TO NOTICE

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

Item No. 4

The Board of Directors ("the Board") at its meeting held on 14th August, 2012 appointed Mr. A. B. Chaturvedi as an Additional Director. Mr. A. B. Chaturvedi will hold the office of Director till the conclusion of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956, alongwith requisite deposit amount, notifying his intention to propose Mr. A. B. Chaturvedi as candidate for the office of Director of the Company. The Board of the Company recommends his appointment as a Director.

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

Item No. 5

In order to broad base the Board, the Directors of the Company at their meeting held on 14th August, 2012, on the recommendation of the Remuneration Committee and also pursuant to the provisions of Sec,198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, Article No.104 of the Articles of Association of the Company and subject to the approval of the shareholders in a general meeting, decided to appoint Mr. A. B. Chaturvedi as a Whole Time Director as per the terms set out in the resolution.

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

The appointment of Mr. A. B. Chaturvedi as Whole Time Director requires the approval of the members of the Company in a general meeting pursuant to Section 269 of the Companies Act. The Directors, therefore, recommend the above resolution for the approval of the members. None of the Directors except Mr. A. B. Chaturvedi himself is interested in the above resolution.

Item No. 6

Section 293(1)(d) of the Companies Act, 1956 requires that the Directors of the Company should obtain the consent of the Shareholders in a General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the Company would exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose. The Company has approached its bankers for restructuring of its working capital limits and also for sanction of fresh term loan to finance the purchase of some capital items and repair and rectification of existing machines. In terms of the restructuring package, a part of the working capital is proposed to be converted into Working Capital Term Loan (WCTL) and a fresh term loan for payment to pressing creditors is also proposed. In view of above and also in view of loss in the last few years, the amount of money already borrowed together with the money proposed to be borrowed would exceed the amount of paid up capital and free reserves.

In view of above and taking into account the requirement of additional funds in future, your Directors feel that they should obtain consent from the Shareholders to borrow more funds. Accordingly, they have thought it desirable to obtain consent of the Shareholders pursuant to section 293(1)(d) of the Companies Act, 1956 to the increase in the limit of borrowing powers of the Board of Directors Rs.100 cores

The Directors recommend the approval of the Shareholders thereto. None of the Directors is interested or concerned in this resolution.

Registered Office :

23C, Ashutosh Chowdhury Avenue

Kolkata - 700 019

Dated : 18th May, 2013

By Order of the Board

S. L. Agrawal
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fortieth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

	<u>2012-13</u>	<u>2011-12</u>
Profit before Tax, Depreciation and Extra Ordinary Items	(447.01)	(706.22)
Less : Depreciation	458.11	526.98
Profit/(Loss) before Tax and extra ordinary items	(905.12)	(1233.20)
Less : I.T. for earlier year	–	2.90
Less : Prior Period Items	0.09	0.45
Profit/(Loss) before extra ordinary items	(905.21)	(1236.55)
Extra Ordinary Items	–	275.48
Profit/(Loss) after Tax	(905.21)	(1512.03)
Add : Balance brought forward from Previous year	(1436.54)	75.49
Balance in Profit & Loss Account	(2341.75)	(1436.54)

BUSINESS AND PERFORMANCE

The sales revenue was down at Rs. 4541.36 lacs as compared to Rs. 6163.37 lacs in the previous year. The loss before Tax, Depreciation and Extra Ordinary item was down at Rs. 447.01 lacs as compared to Rs. 706.22 lacs in the previous year. This was because of an income of Rs. 881.42 lacs on sale of idle fixed assets during the year. The operations of the main unit of your Company, J. J. Spectrum Silk, at Kolkata were under suspension for nearly two and a half months during the year due to industrial relations problem. It had an impact on the performance of your Company.

The global recession is still continuing and there are no signs of improvement in the demand for your Company's product. Your Company had to close the operations at Bangalore as the units were incurring losses for lack of capacity utilization.

CURRENT YEAR'S OUTLOOK

Although your Directors are making all round efforts to improve the working of your Company, the actual performance would depend on many external factors like movement of exchange rate for Indian Rupee vis-à-vis various foreign currencies, the revival of global economy and improvement in the demand for your Company's product in the foreign countries. Your Directors have initiated various measures viz. closure of loss making units, debonding a part of the manufacturing facilities at the Kolkata Unit in order to utilize the idle capacity for doing job work, diversification into other fabrics viz. linen, polyester etc. and cost reduction exercises on a continuous basis. The operations of loss making units have already been closed. The debonding exercise is almost complete. The Company is in the process of tying up the funds required for financing capital expenditure for production of polyester fabric.

DISPOSAL OF UNDERTAKINGS

Since the operations at Bangalore have been closed, your Directors have decided to sell the Land and Building and other fixed assets viz. Plant and Machinery, fixtures etc. of the units at Bangalore. Your Company has already approached the members for their approval and has mailed a Notice together with Resolution, Postal Ballot Form etc. on 7th May, 2013. The sale proceeds of these assets shall be utilized for repayment of term loan.

OVERSEAS SUBSIDIARIES AND JOINT VENTURE

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

RESTRUCTURING OF TERM LOAN AND WORKING CAPITAL FACILITIES

Because of pressure on the cash flow, your Company has approached the term lender for restructuring of the term loan by way of deferment of repayment instalments and funding of interest. It has also approached the working capital lenders for conversion of a part of the working capital outstanding into working capital term loan and sanction of some fresh loan.

RETAIL SHOWROOM

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

DIVIDEND

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

DIRECTORS

Mr. Arvind Kr. Thakur resigned from the Board of the Company during the year w.e.f. 01.06.2012. Mr. A. B. Chaturvedi was appointed as an Additional Director during the year by the Board at its meeting held on 14.08.2012. Mr. Chaturvedi will hold office upto the date of the forthcoming Annual General Meeting. Notice from a member of the Company has been received proposing him as a regular Director of the Company. Mr. Chaturvedi was also appointed as Whole Time Director during the year. Mr. P. J. Sheth has resigned from the Directorship of the Company w.e.f. 18.05.2013.

Mr. Pradeep Kumar Singhi, Director, retires by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) That such accounting standards have been applied consistently to make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year as at 31st March, 2013 and of the loss for the year ended on that date;
- iii) That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any, has been taken;
- iv) That the Annual Accounts have been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

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

AUDITORS

M/s. Salarpuria Jajodia & Co., Chartered Accountants, Kolkata, bearing Registration No.302111E, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to be re-appointed. They have confirmed that their re-appointment, if made, would be covered within the ceiling specified under Section 224 (1B) of the Companies Act, 1956.

COST AUDITORS

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

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

- A) Conservation of energy and technology absorption :

The particulars in respect of conservation of energy and technology absorption are given in Annexure 'A' forming part of this report pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

- B) Foreign Exchange earnings and outgo :

The information is contained in Item No.14 of 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 212 of the Companies Act, 1956, in respect of Company's subsidiaries viz. Spin International INC., OOO JJ Home and J. J. Creations S.A. are annexed.

The Government of India vide Circular No.2/2011 dt.08.12.2011 has granted general exemption to companies from annexing the accounts of its subsidiary companies subject to fulfilment of certain conditions. Necessary financial details in respect of each subsidiary as stipulated in the said exemption letter are given in a separate statement attached elsewhere in the report.

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

FIXED DEPOSITS

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

- A) **Industry Structure & Developments:** The Company manufactures and exports silk fabrics, garments and made-ups. Silk Fabrics comprise the bulk of Company's product basket which are used for home-furnishings and apparel in developed countries like USA and countries in Europe like France, Germany, UK, Italy, Finland, Russia and also in Japan, Australia, etc. mainly by high-end customers. The Company is currently exploring the possibility of exporting Linen, Polyester and various kinds of blended fabrics also.
- 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.

E) **Risk & Concern:** Silk fabrics being a luxury item carry significant risk linked to consumer confidence and spending pattern. Any increase in the price of raw material and the uncertainties in the world economy may have 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 except for some problems at the unit at Gangarampur, West Bengal during first quarter of the year under review. The management had to declare suspension of work at this unit from 8th April, 2012. The problems were resolved and the operations resumed w.e.f. 22nd June, 2012. The Directors place on record the excellent contribution made and the co-operation extended by the employees at all levels of the organisation.

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

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

ACKNOWLEDGEMENTS

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

Registered Office :
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019
Dated : 18th May, 2013

By Order of the Board

S. N. Jhunjhunwala
Executive Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

CONSERVATION OF ENERGY	For the Year Ended	For the Year Ended
	31.03.2013	31.03.2012
A. Power and Fuel Consumption		
1. Electricity		
a) Unit Purchased (KWH)	2,222,262	2,972,352
Total Amount (Rs.)	17,814,448	18,989,140
Rate/Unit (Rs.)	8.02	6.39
b) Own Generation through Diesel Generator		
Units (KWH)	45,687	46,468
Unit per litre of Diesel Oil	2.07	2.05
Total Amount (Rs.)	900,552	907,070
Cost/Unit (Rs.)	19.71	19.52
2. Furnace Oil		
Quantity (KL)	215	501
Total Amount (Rs.)	8,917,580	14,262,565
Average Rate (Rs.)	41,393	28,468
3. Steam Coal		
Quantity (Kg)	31,475	53,878
Total Amount (Rs.)	226,395	277,766
Average Rate (Rs.)	7.19	5.16
B. Consumption per Mtr of production		
Product : Natural Silk Fabrics		
Electricity (KWH)	6.04	5.19
Furnace Oil (Ltr.)	0.57	0.87
Steam Coal (Kg.)	0.08	0.09
Consumption per Pcs of production		
Product : Made-up		
Electricity (KWH)	0.87	0.80

- C. 1. Energy Conservation Measures taken :
- Steam leakages in the steam distribution network are monitored on continuous basis for early detection and rectification.
 - Fuel consumption of boiler is monitored and optimised by way of daily and schedule maintenance. Fuel gas analysis is carried out periodically to ascertain performance of oil burner assembly.
 - Non-essential consumers in the utility/service section are normally kept out of operation during high tariff period, to cut down energy cost.
 - Radio frequency dryer for drying of dyed hank has been introduced primarily for better and uniform drying which has also contributed to energy saving.
 - Use of imported twisted yarn has reduced the electrical load of twisting/uptwisting section.
 - The general awareness drive continues among the employees of all categories for energy conservation.

2. Additional Investments for reduction of power consumption : There has not been any specific investment, other than in-house effort towards energy conservation.
3. Impact of the measures taken for reduction of energy consumption and consequent impact on production cost : Positive influence on average production cost.

BENEFITS DERIVED AS A RESULT OF RESEARCH & DEVELOPMENT

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

TECHNOLOGY ABSORPTION

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

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

Name of The Subsidiary	Spin International Inc	OOO JJ Home	JJ Creations S.A.
The Financial Year of the Subsidiary Company ended on	31.03.2013	31.03.2013	31.03.2013
Number of Shares in the Subsidiary Company held by J.J. Exporters Limited at the above date	Stock ` 53,990/-	Stock ` 6,055,000/-	85 ` 3,608,021/-
Equity Shares Equity Holding	USD 1000 100%	RBLS 3,500,000 100%	EURO 52,275 85%
The Net Aggregate of Profits (Losses) of the Subsidiary Company for its Financial Year so far as they concern the Members of J.J. Exporters Limited:-			
A) Dealt within the account of J.J. Exporters Limited for the Year Ended 31.03.2013	Nil	Nil	Nil
B) Not dealt within the account of J.J. Exporters Limited for the Year Ended 31.03.2013 (Net of Taxes)	` 1,375,611 /- USD 25,479	` (16,74,225/-) RBLS (967,760)	` 305,068/- EURO 4420
The net aggregate of profits (losses) of the subsidiary company upto previous financial years so far as they concern the members of J. J. Exporters Limited			
A) Dealt with in the account of J.J. Exporters Limited upto Year Ended 31.03.2012	` 377,930/- USD 7,000	Nil	Nil
B) Not dealt with in the account of J.J. Exporters Limited upto Year Ended 31.03.2013	` 45,259,385/- USD 838,292	` (5,587,052/-) RBLS (3,229,510)	` 1091,620/- Euro 15816
Change in the interest of J.J. Exporters Limited between the end of the Financial Year and 31st March, 2013	—	—	—
Material Changes between the end of the financial year and 31st March, 2013	—	—	—

- i) US\$ have been converted to INR at the exchange rate prevailing on 31st March, 2013 (1 US\$ = ` 53.99).
- ii) RBLS have been converted to INR at the exchange rate prevailing on 31st March, 2013 (1 RBLS = ` 1.73).
- iii) EURO have been converted to INR at the exchange rate prevailing on 31st March, 2013 (1 EURO = ` 69.02).

For and on Behalf of the Board

S. L. Agrawal
Company Secretary

S. N. Jhunjunwala — Executive Chairman
Rajiv Jhunjunwala — Vice Chairman
A. B. Chaturvedi — Director

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors and complies with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges in India. The Board of Directors of the Company as at 31st March, 2013 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 21.05.2012, 14.08.2012, 06.11.2012 & 06.02.2013.

Composition of the Board of Directors and other details as on 31st March, 2013 are as under :

Name	Executive/Non-Executive/ Independent	No. of other Directorships held (other than Private Companies)	Committee positions held (other than JJEL)		No. of Board Meetings attended during the year	Whether attended last AGM on 14.08.2012
			As Chairman	As Member		
Mr. S. N. Jhunjunwala	Promoter, Executive	2	None	None	4	Yes
Mrs. Laxmi Jhunjunwala**	Promoter, Non Executive	1	None	None	1	N.A.
Mr. Rajiv Jhunjunwala	Promoter, Executive	1	None	None	2	No
Mr. P. J. Sheth	Non-Executive Independent	None	None	None	3	Yes
Mr. P. K. Sarkar	Non-Executive Independent	None	None	None	4	Yes
Mr. M. L. Gulrajani	Non-Executive Independent	2	None	None	4	Yes
Mr. Pradeep Kumar Singhi	Non-Executive Independent	4	2	None	4	Yes
Mr. Arvind Kumar Thakur*	Non-Promoter Executive Director	None	None	None	1	N.A.
Mr. A. B. Chaturvedi***	Non-Promoter Executive Director	None	None	None	3	Yes

*Ceased to be Director w.e.f. 01.06.2012

** Ceased to be a Director w.e.f. 26.06.2012

*** Was appointed during the year w.e.f. 14.08.2012

Directors

Mr. Arvind Kumar Thakur (Non-Promoter Executive Director) resigned from the Board of the Company during the year w.e.f. 01.06.2012. Mr. A. B. Chaturvedi was appointed as an Additional Director during the year by the Board at its meeting held on 14.08.2012. Mr. Chaturvedi will hold office upto the date of the forthcoming Annual General Meeting. A notice has been received from a member of the Company proposing him as a regular Director of the Company. Mr. Chaturvedi was also appointed as a Whole Time Director of the Company during the year w.e.f. 16.08.2012.

Mr. P. K. Singhi, Director, retires by rotation and being eligible has offered himself for re-appointment. Brief resume of Directors, nature of their expertise in specific functional areas and name of Companies in which they hold directorships, memberships/chairmanships of Board committee and shareholding in the Company is provided below :

A brief resume of these Directors is as under :

Name	Age	Qualifications	Experience	Directorships held in other Companies	Committee memberships held in other companies	Nos. of shares held as on 31.03.2013
Mr. Pradeep Kr. Singhi	58	FCA	Mr. Pradeep Kr. Singhi is a fellow member of the Institute of Chartered Accountants of India (ICAI) and is a senior partner of reputed audit firm, M/s. Singhi and Co. He has over 32 years experience in finance and auditing.	1) Shree Vardhan Ltd. 2) Upper Ganges Sugar & Industries Ltd 3) P.S. Group Realty Ltd. 4) Dharampal Premchand Ltd. 5) Waterloo Exports (P) Ltd. 6) Hirise Agencies Pvt. Ltd. 7) Vinar Systems Pvt. Ltd. 8) SMFC Advisory Services Pvt. Ltd. 9) Avikar Trade Com. Pvt. Ltd. 10) Krishnav Commercial Pvt. Ltd. 11) Baker Tilly Singhi Consultants Pvt. Ltd. 12) Jagadamba Tradecom Pvt. Ltd. 13) Siddashila Apartment Pvt. Ltd. 14) Ekdin Media Pvt. Ltd.	1) P.S. Group Realty Ltd. 2) Dharampal Premchand Ltd.	Nil
Mr. A. B. Chaturvedi	61	MBA	Mr. A. B. Chaturvedi is a MBA from BITS, Pilani and has about 41 years of experience in Textile Business	-	-	Nil

The shareholding of the Non-Executive Directors in the Company as on 31.03.2013 is as follows :

Name of the Non-Executive Director	No. of shares held in the Company as on 31.03.2013	No. of stock options held in the Company as on 31.03.2013
Mr. P. J. Sheth	NIL	NIL
Mr. M. L. Gulrajani	NIL	NIL
Mr. P. K. Sarkar	NIL	NIL
Mr. Pradeep Kumar Singhi	NIL	NIL

III. Board Committees

AUDIT COMMITTEE

The Audit Committee of the Board comprises of three Independent Non-Executive Directors i.e. Mr. Pradeep Kumar Singhi, Mr. M. L. Gulrajani and Mr. P. K. Sarkar. Mr. Pradeep Kr. Singhi is the Chairman of the Committee. The committee met four times during the year under review on 21.05.2012, 14.08.2012, 06.11.2012 & 06.02.2013. The attendance of the members at these meetings was as follows :

SI. No.	Name of the Members	Status	No. of Meetings attended
1.	Mr. Pradeep Kumar Singhi	Chairman, independent non-executive	4
2.	Mr. P. K. Sarkar	Member, independent non-executive	4
3.	Mr. M. L. Gulrajani	Member, independent non-executive	4

Mr. S. L. Agrawal, Company Secretary, Mr. A. B. Chaturvedi – Whole Time Director, the Statutory Auditors and the Internal Auditors of the Company are invitees to the Audit Committee Meetings. Mr. S. L. Agrawal, Company Secretary acts as the Secretary to the Committee.

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

IV. REMUNERATION COMMITTEE

The Committee consisted of three Non- Executive Directors viz Mr. P. K. Sarkar, Mr. M. L. Gulrajani and Mrs. Laxmi Jhunjunwala. Consequent upon resignation from Directorship, Mrs. Laxmi Jhunjunwala ceased to be a member of the Committee. Now the Committee consists of two Non-Promoter Non-Executive Directors viz. Mr. P. K. Sarkar and Mr. M. L. Gulrajani. Mr. P. K. Sarkar is the Chairman of the Committee. The Committee met once during the year on 14th August, 2012 to consider the appointment of Mr. A. B. Chaturvedi as Whole Time Director of the Company. The meeting was attended by both the members.

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

Particulars	Mr. Arvind Kumar Thakur Whole Time Director & CFO	Mr. S. N. Jhunjunwala Executive Chairman	Mr. Rajiv Jhunjunwala Vice Chairman	Mr. A. B. Chaturvedi Whole time Director
Salary	165,000	1,392,000	1,280,000	398,355
Allowances and other perquisites	136,247	–	–	21,863
Gratuity	–	–	–	–
Contribution to Provident and Gratuity Funds	19,800	167,040	153,600	47,803
Total	321,047	1,559,040	1,433,600	468,021
Service Contract	*5 years (1st Nov, 2011 to 31st October, 2016)	5 years (1st Feb, 2011 to 31st Jan, 2016)	5 years (1st Feb, 2011 to 31st Jan, 2016)	5 years (16th Aug, 2012 to 15th Aug, 2017)

* Has resigned w.e.f. 01.06.2012

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

Name of the Non-Executive Directors Sitting Fees paid (`)

Mrs. Laxmi Jhunjunwala	12,500/-
Mr. P. J. Sheth	35,000/-
Mr. P. K. Sarkar	102,500/-
Mr. M. L. Gulrajani	102,500/-
Mr. Pradeep Kumar Singhi	90,000/-
Total	342,500/-

V. SHAREHOLDERS' COMMITTEES

- a) **Shareholders'/Investors' Grievance Committee** : The Committee consists of Mr. P. K. Sarkar and Mr. S. N. Jhunjunwala. Mr. P. K. Sarkar is the Chairman of the Committee.

Details of Shareholders' complaints received : Three complaints were received during the year which were satisfactorily resolved. No shares were pending for transfer as on 31st March, 2013, from the shareholders of the Company. No meeting of the shareholders/Investors Grievances Committee was held during the year.

- b) **Share Transfer Committee** : The Share Transfer Committee comprised of Mr. S. N. Jhunjunwala, Mr. Rajiv Jhunjunwala and Mr. Arvind Kr. Thakur. Consequent upon resignation, Mr. Thakur ceased to be a member of the Committee. Now, the Committee consists of Mr. S. N. Jhunjunwala and Mr. Rajiv Jhunjunwala. The Committee met 4(four) times during the year on 02.08.2012, 13.09.2012, 19.10.2012 and 12.11.2012.

Compliance Officer : Mr. S. L. Agrawal, Company Secretary is the Compliance Officer w.e.f. 1st September, 2009.

VI. GENERAL BODY MEETING

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

Accounting Year	Date	Location of the Meeting	Time	Special Resolution passed
2011-2012	14th August, 2012	Kala Kunj Hall, 48, Shakespeare Sarani Kolkata - 700 017	4.00 p.m.	None
2010-2011	28th July, 2011	- do -	4.00 p.m.	Re-appointment of Mr. S. N. Jhunjunwala as Whole Time Director
2009-2010	28th July, 2010	- do -	4.00 p.m.	Revision in the remuneration paid to Ms. Neha Jalan

No special resolution was passed through Postal Ballot during the F. Y. 2012-2013. None of the Business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot. However, a notice has been sent on 7th May, 2013 to shareholders for obtaining their consent through Postal Ballot to dispose off the land and building and other fixed assets of Company's units at Bangalore as the operations at Bangalore have been discontinued by the Company.

VII. DISCLOSURES

- a) The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Point No.8 of Note `23' to the Accounts in the Annual Report. A statement in summary form of transactions with related parties in ordinary course of business is placed periodically before the Audit Committee.
- b) The Company has laid down procedures to inform the Board Members about the risk assessment and minimisation procedures. The procedure is periodically reviewed to ensure that executive management controls risk through means of properly defined frame work. The Company has also adopted a Risk Management Policy in the meeting of the Board of Directors held on 31st January 2006, the brief gist of which is as follows :

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

1. Change in fashion : Company's products largely depend on the change in global fashion. In order to minimise the risk on account of finished goods held in stock, the Company has a policy of manufacturing goods only against confirmed

orders from customers and maintain inventory only of those items which are not subject to fast change in fashion.

2. Global Competition : The Company is 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.
- c) The Company has not made any public issues, rights issues or preference issues during the year under review.

VIII. MEANS OF COMMUNICATION

- a) In compliance with Clause 41 of the Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the stock exchanges immediately after the Board takes them on record.
- b) The quarterly results of the Company are published in leading national newspapers. Financial Results are also displayed on the corporate website i.e. www.jjexporters.com.
- c) Management discussion and analysis is covered in Directors' Report to the Shareholders and forms part of this Annual Report, which is posted to the shareholders of the Company.

IX. GENERAL SHAREHOLDERS' INFORMATION

- a) Date and venue of Fortieth Annual General Meeting : The Fortieth Annual General Meeting of the Company will be held on 14th August, 2013 at 4.00 p.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017.
- b) Book Closure Dates : The Share Transfer Books and Register of Members will remain closed from 7th August to 10th August, 2013 (both days inclusive).
- c) Exchanges listed at with code numbers :

The Calcutta Stock Exchange Association Limited	–	020029
7, Lyons Range, Kolkata - 700 001.		
The Stock Exchange, Mumbai	–	530049
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.		

The Listing Fees to the above Stock Exchanges have been paid for the year 2012-13.

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

Months	High	Low
April, 2012	16.45	11.37
May, 2012	17.95	13.70
June, 2012	19.40	13.70
July, 2012	16.40	12.85
August, 2012	15.70	10.84
September, 2012	12.59	9.71
October, 2012	13.49	9.50
November, 2012	15.80	12.50
December, 2012	16.50	13.00
January, 2013	15.94	11.43
February, 2013	14.74	11.55
March, 2013	12.48	7.80

* Source www.bseindia.com

- e) Registrar & Transfer Agents (both for Demat & Physical) : M/s. MCS Limited
77/2A, Hazra Road, Kolkata - 700 029
Phone : (033) 2454 1892-1893,
Fax : (033) 2454 1961
E-mail : mcskol@rediffmail.com
- f) Share Transfer System : As the Company's shares are compulsorily traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL/CDSL with whom the Company has entered into separate agreements. The Share Transfer in physical form are processed and registered within a period of 15 days from the date of receipt on an average provided the documents are in order.

g) Shareholding Pattern as on 31st March, 2013	:	Category	No. of Shares	Percentage
		Promoters *	67,59,130	72.98%
		Domestic Institutional Investors	–	–
		NRI's/OCB's	3,98,357	4.30%
		Other Body Corporates	4,89,858	5.29%
		Indian Public	16,14,905	17.43%
		Total	92,62,250	100.00%
		* Includes shares held by J. J. Exporters Beneficiary Trust as treasury stock on behalf of the Company.		
h) Dematerialization of Shares	:	As at 31 March, 2013, approximately 97.82% of the total Equity Shares are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The Company's Equity Shares are traded compulsorily in dematerialised form. The ISIN of the Company is INE408B01015.		
i) Branch Locations (including major works)	:	1) # A12 & A13, Apparel Park Area, 1st Phase, Doddaballapur - 561 203, Bangalore, Karnataka.		
		2) Bounsi Road, Bhagalpur – 2.		
		3) Mauza Gangarampur, Post Bishnupur, Dist. 24 Parganas (S), West Bengal.		
		4) Onset - 51/2, Hindusthan Park, Gariahat, Kolkata - 700 029.		
j) Address for correspondence	:	J. J. Exporters Limited 23C, Ashutosh Chowdhury Avenue, KCI Plaza, Second Floor, Kolkata - 700 019 Phone : (033) 2461 4775, Fax : (033) 2461 4780, Email : jjemail@vsnl.com		

X. CODE OF PROFESSIONAL CONDUCT

The Company has formulated a Code of Conduct for all Board Members and Senior Management Personnel and the same has been adopted by the Board in its meeting held on 31st January, 2006. The Code is also available on the website of the Company. A declaration from the CEO that all Board Members and senior management personnel have duly complied with the Code of Conduct for the financial year ended 31st March, 2013 is appended herein below :

This is to state that the Company, had duly adopted a Code of Conduct in the meeting of the Board of Directors held on 31st January, 2006. After adoption of the Code of Conduct the same was circulated to all the Board Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the company. The Company has since received declarations from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended 31st March, 2013.

S. N. Jhunjhunwala

Executive Chairman

XI. CEO/CFO CERTIFICATE

The Company with effect from the financial year ending 31st March, 2006, is duly placing a certificate to the Board from the CEO and CFO in accordance with the provisions of Clause 49(v) of the Listing Agreement. The aforesaid certificate duly signed by the CEO and CFO in respect of the financial year ended 31st March, 2013 has been placed before the Board in the meeting held on 18.05.2013.

XII. SUBSIDIARY COMPANIES

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
J J EXPORTERS LIMITED

We have examined the compliance of conditions of Corporate Governance by J J Exporters Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement(s) of the said company with stock exchange(s) in India.

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

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

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

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

Anand Prakash
Partner

Membership No. 56485
ICAI Reg.No. 302111E

Place : Kolkata
Date: 18th day of May, 2013

INDEPENDENT AUDITORS' REPORT

To the members of
J J EXPORTERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of J J EXPORTERS LIMITED, which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Sec 227(3) of the Act, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Partner

Membership No. 56485
ICAI Reg:No. 302111E

Place : Kolkata
Date: 18th day of May, 2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in 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 generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets, according to the practice of the company, are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company has disposed off Land and Building at Rajaji Nagar, Bengaluru during the year, which does not affect the going concern of the Company.
- ii) (a) As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have, however, been confirmed by them.
 - (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its Inventory. Discrepancies that were noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account. However, it is not material in nature.
- iii) (a) According to information and explanations given to us, the Company has not granted any loan, secured or unsecured to the parties covered in the register maintained under section 301 of the Companies Act, 1956, hence comments on clauses (iii)(b) to (iii)(d) of the said order does not arise.
 - (e) The Company had taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 67 lakhs and the year-end balance of loan taken from such company was Nil.
 - (f) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the company listed in register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - (g) The company had paid the principal amount of the loan and interest thereon as per the terms and conditions.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our previous assessment, no continuing failure to correct any major weakness in internal control system had come to our notice.
- v) (a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that, the particulars of contracts or arrangements in which directors were interested as contemplated under Section 297 and sub-Section (6) of Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of Clause 4(vi) of the order are not applicable to the company.
- vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by firm of Chartered Accountants appointed by the management is commensurate with the size of the Company and the nature of its business.

- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's product to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the same.
- ix) (a) According to the records of the Company, it has been generally regular in depositing undisputed statutory dues including provident fund, Investors Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory Dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable, save and except Value Added Tax amounting to Rs. 11,53,570 which is since been paid.
- (c) On the basis of our examination of the documents and records, the following disputed statutory dues on account of Income Tax and Sales Tax which have not been deposited with the appropriate authorities are as under:

Nature Of Dues	Amount (`)	Forum Where Dispute Is Pending
Sales Tax	440,255	Joint- Commissioner of Sales Tax
Income Tax	58,608,571	Commissioner of Income Tax (Appeals)

The details regarding the disputed dues are as follows:

ASSESSMENT YEAR	SALES TAX AMOUNT(Rs)
FOR AY(2008-09)	115,154
FOR AY(2009-10)	325,101

ASSESSMENT YEAR	INCOME TAX AMOUNT(`)	ASSESSMENT YEAR	INCOME TAX AMOUNT(`)
1998-1999	499,795	2004-2005	1,301,201
2002-2003	588,452	2005-06	8,975,428
2003-2004	1,375,272	2008-09	45,868,423

- x) There are no accumulated losses of the Company at the end of the financial year but it has incurred cash losses in the current financial year, and has also incurred cash losses in the immediately preceding financial year.
- xi) On the basis of the records examined by us and the information and explanations given to us, the Company has generally not defaulted in repayment of dues to financial institutions and banks, except repayment of Term Loan of ` 65,64,250 and interest thereon amounting to ` 74,72,494/- which is outstanding as at 31st March, 2013 refer note no. 25.
- xii) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of this clause are not applicable to the Company.
- xiv) In our opinion and according to the information and explanation given to us, the company has maintained proper records for its transactions of dealing or trading in shares and securities and timely entries have been made therein. The company in its own name holds the shares, securities and other investments save and except 1,303,675 nos. of equity shares of the company issued under the scheme of amalgamation, which are being held by J J Exporters Beneficiary Trust (refer Clause No. 4 of Note 23).
- xv) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose on which they were raised.

- xvii) According to the information and explanations given to us and on an overall examination of the Financial Statement of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usage of funds, we are of the opinion that the funds raised by the company on short term basis has not been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanation given to us during the period covered by our Audit Report, the Company has not issued any debenture.
- xx) The Company has not raised any money by way of public issue, during the year.
- xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

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

Place : Kolkata
Date: 18th day of May, 2013

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

Balance Sheet as at 31st March 2013

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2013	As at 31st March 2012
Shareholders' Fund			
Share Capital	1	92,622,500	92,622,500
Reserves and Surplus	2	<u>167,892,968</u>	<u>258,414,495</u>
		260,515,468	351,036,995
Non-Current Liabilities			
Long-term borrowings	3 (A)	<u>180,306,000</u>	<u>275,127,000</u>
		180,306,000	275,127,000
Current Liabilities			
Short-term borrowings	3 (B)	260,790,678	251,547,546
Trade payables	4	45,597,119	55,135,111
Other current liabilities	5	141,554,694	138,751,916
Short-term provisions	6	<u>61,770,448</u>	<u>61,835,448</u>
		509,712,939	507,270,021
Total		<u>950,534,407</u>	<u>1,133,434,016</u>
II. ASSETS			
Non-Current Assets			
Fixed assets			
- Tangible assets	7	487,324,084	547,166,422
- Capital Work In Progress		2,590,374	3,590,374
Non-current investments	8 (A)	92,756,147	93,889,327
Long term loans and advances	9	<u>3,042,574</u>	<u>10,905,225</u>
		585,713,179	655,551,348
Current Assets			
Current Investments	8 (B)	12,000	5,588,289
Inventories	10	145,729,151	212,793,693
Trade receivables	11	91,558,275	108,944,507
Cash and Bank Balances	12	15,167,138	24,041,479
Short-term loans and advances	13	97,952,088	113,563,338
Other current assets	14	<u>14,402,576</u>	<u>12,951,362</u>
		364,821,228	477,882,668
Total		<u>950,534,407</u>	<u>1,133,434,016</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. 56485)

Place : Kolkata

Dated: 18th May, 2013

S. L. Agrawal

Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director

Statement of Profit and Loss for the year ended 31st March 2013

PARTICULARS	Notes	For the year ended 31st March 2013	For the year ended 31st March 2012
I. Revenue from operations	15	454,136,387	616,337,539
II. Other Income	16	92,526,713	1,821,317
III. Total Revenue (I + II)		546,663,100	618,158,856
IV. Expenses:			
Cost of materials consumed & other manufacturing expenses	17	276,021,010	360,845,695
Purchase of traded goods	18	22,776,963	13,041,390
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	31,332,434	18,191,409
Employee benefit expenses	19	106,172,425	123,123,189
Finance costs	20	47,411,227	56,977,182
Depreciation and amortisation expenses	21	45,810,976	52,698,516
Other expenses	22	107,650,507	116,602,207
Total Expenses		637,175,542	741,479,588
V. Profit/(Loss) before prior period adjustments, exceptional items and tax (III - IV)		(90,512,442)	(123,320,732)
VI. Prior Period Adjustments		9,085	44,596
VII. Profit/(Loss) before exceptional items and tax (V - VI)		(90,521,527)	(123,365,328)
VIII. Exceptional Items (Refer Clause 22 of Note 23)		-	27,547,746
IX. Profit/(Loss) before tax (VII - VIII)		(90,521,527)	(150,913,074)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Income tax for earlier years		-	290,003
XI. Profit/(Loss) after tax (IX - X)		(90,521,527)	(151,203,077)
XII. Earning per equity share: (Refer Clause 9 of Note 23)		(9.77)	(16.32)

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. 56485)

Place : Kolkata

Dated: 18th May, 2013

S. L. Agrawal

Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman**Rajiv Jhunjunwala** — Vice Chairman**A. B. Chaturvedi** — Director

NOTE : 1 SHARE CAPITAL	As at 31st March 2013	As at 31st March 2012
Authorised Shares		
Equity shares		
10,000,000 (10,000,000) shares of ` 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up Shares		
1,257,500 (1,257,500) shares of ` 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (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 (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 (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 outstanding and the amount of shares capital at the year end

Equity Shares	Nos.	As at 31st March 2013	Nos.	As at 31st March 2012
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 share issued & share issued for consideration other than cash

Particulars	Nos.	As at 31st March 2013	Nos.	As at 31st March 2012
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	5,876,000	58,760,000	5,876,000	58,760,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,876,000	58,760,000	5,876,000	58,760,000
Equity share allotted as fully paid up pursuant to contracts for consideration other than Cash				
At the beginning of the year	2,128,750	21,287,500	2,128,750	21,287,500
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,128,750	21,287,500	2,128,750	21,287,500

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

Particulars	Nos.	As at 31st March 2013 % Holding in the Class	Nos.	As at 31st March 2012 % Holding in the Class
Equity Shares of ` 10 Each				
Nupur Carpets Private Limited	2,605,651	28.13	2,600,241	28.07
J J Beneficiary Trust	1,303,675	14.08	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	636,400	6.87	636,400	6.87

Note : 2 RESERVE & SURPLUS	As at 31st March 2013	As at 31st March 2012
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	344,400,000
Addition	-	-
Deduction	-	-
Closing Balance	344,400,000	344,400,000
d) Surplus/(Deficit) as per Statement of Profit and Loss		
Opening Balance	(143,654,015)	7,549,062
Addition	(90,521,527)	(151,203,077)
Deduction	-	-
Closing Balance	(234,175,542)	(143,654,015)
Total	167,892,968	258,414,495

Note : 3 BORROWINGS	As at 31st March 2013				As at 31st March 2012			
	(₹)				(₹)			
	Long term Borrowings	Current maturity of long term borrowings	Short term borrowings	Total Borrowings	Long term Borrowings	Current maturity of long term borrowings	Short term borrowings	Total Borrowings
A Term Loans								
Secured								
- From Bank	271,691,250	-	-	271,691,250	323,900,000	-	-	323,900,000
- From Body Corporate (ABG PORTS)	10,000,000			10,000,000	10,000,000	-	-	10,000,000
Less: Current maturity of long term borrowings shown as other current liabilities (Refer note-5)	(101,385,250)	101,385,250	-	-	(58,773,000)	58,773,000	-	-
	180,306,000		-	-	-	-	-	-
B Working Capital Loan From Bank								
Secured								
- Packing Credit Loan -INR			-	-	-	-	9,000,001	9,000,001
- Packing Credit Loan -Foreign Currency	-		204,662,399	204,662,399	-		178,643,106	178,643,106
- Bill Discounted With Banks-Foreign Currency	-		52,616,722	52,616,722	-		63,904,439	63,904,439
- Cash Credit From Banks	-		3,511,557	3,511,557	-		-	-
Total	180,306,000	101,385,250	260,790,678	542,481,928	275,127,000	58,773,000	251,547,546	585,447,546

- a) Working capital facilities with Indian Overseas Bank and Federal Bank Ltd are secured by first charge on Current Assets of the Company on pari-passu basis. Further, Current assets of the company has also been charged to Citi Bank on pari-passu basis from whom there are no facilities availed as on date.
- b) As collateral security, Indian Overseas Bank has second pari-passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- c) As collateral security, The Federal Bank Ltd. has second pari-passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore, (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal, (iv) Mortgage on Land & Building at 51/2, Hindustan Park, Kolkata and (v) Mortgage on flat at Santilla Apartment, Yelhanka, Bangalore.

Further, the working capital limits of Indian Overseas Bank and Federal Bank Ltd. are also secured by personal guarantee of two Directors of the company.

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

Purpose	Description of property
Retail showroom	(i) Plant and machinery of Kolkata EOU on first Charge. (ii) Entire movable and immovable property (excluding current assets) of retail showroom on first charge basis. (iii) Stock of Raw Material, WIP and Finished goods of all units on second charge
Doddaballapur	(i) First charge on Land and Building at Dodaballapur. (ii) First charge on Plant and Machinery of Dyeing unit at Rajaji Nagar (iii) First charge on movable and immovable assets (except Stock) of J.J.Spectrum(unit of J J Exporter Ltd) (iv) First charge on movable and immovable assets (except stock) of EOU at Kolkata (v) Second charge on current assets of Dyeing unit.
Kolkata EOU	(i) Whole of movable properties (other than stock) of the company situated at Gangarampur, EOU-I, EOU-II and Dyeing unit at Bangalore on first charge. (ii) Land measuring 40,000 sq. feet together with buliding thereon. Plant and machinery on first charge (iii) Personal guarantee of a Director.

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

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

- f) Terms of repayment of Term Loans

– From Bank					
	Particulars	Term Loan I	Term Loan II	Term Loan III	Total
	Name of the Bank	IDBI	IDBI	IDBI	
	Amount outstanding as on 31st March 2013 (` In lakhs)	913	270.56	1533.35	2716.91
Repayment Schedule					
Term Loan I	a) ` 25,00,000/- to be repaid in 1 monthly instalment due on 1st March, 2013. b) ` 4,08,00,000/- to be repaid in 12 equal monthly instalments of ` 34,00,000/- starting from 1st of April 2013. c) ` 4,80,00,000/- to be repaid in 12 equal monthly instalments of ` 40,00,000/- starting from 1st of April 2014.				
Term Loan II	a) Fully to be repaid in 37 equal monthly instalments of ` 7,31,250/- starting from 1st March, 2013.				
Term Loan III	a) ` 1,99,98,000 to be repaid in 7 equal monthly instalments of ` 33,33,000/- from 1st March, 2013 onwards. b) ` 5,04,96,000 to be repaid in 12 equal monthly instalments of ` 42,08,000/- starting from 1st of October 2013. c) ` 7,50,72,000 to be repaid in 17 equal monthly instalments of ` 44,16,000/- starting from 1st of October 2014. d) Rest of ` 44,36,000 to be repaid on 1st of March 2016.				
– From Other Parties					
	To be repaid latest by 24th of November 2015.				

Note : 4 TRADE PAYABLES	As at 31st March 2013	As at 31st March 2012
Sundry Creditors for Goods and Services	45,597,119	55,135,111
Total	45,597,119	55,135,111

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 2013	As at 31st March 2012
Interest Accrued & Due on borrowings	7,472,494	7,011,699
Interest Accrued but not due	4,367,160	5,017,541
Current maturity of a long term borrowings (Refer Note-3)	101,385,250	58,773,000
Advance from Customers	7,932,678	26,204,467
Payable for employee benefits	13,582,769	15,842,668
Statutory dues payable	1,903,232	4,155,662
Advance against sale of properties	–	20,000,000
Bank book Overdraft	4,636,239	1,243,787
Unclaimed Dividend	274,872	503,092
Total	141,554,694	138,751,916

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2013	As at 31st March 2012
Provision For Taxation	61,770,448	61,835,448
Total	61,770,448	61,835,448

Note : 7 FIXED ASSETS

PARTICULARS	COST			ACCUMULATED DEPRECIATION & AMORTISATION				NET BOOK VALUE		
	01.04.2012	Addition	Deduction	31.03.2013	01.04.2012	Charge for The Year	Deduction/ Adjustment	31.03.2013	31.03.2013	31.03.2012
Tangible Assets										
Freehold Land	36,596,905	-	13,262,042	23,334,863	-	-	-	-	23,334,863	36,596,905
Leasehold Land	366,381	-	-	366,381	198,102	12,213	-	210,315	156,066	168,279
Buildings & Structures	427,452,563	7,566,320	24,652,759	410,366,124	133,553,738	22,997,113	14,746,695	141,804,156	268,561,968	293,898,825
Plant & Machineries	779,636,907	33,510	308,441	779,361,976	616,839,608	13,076,035	292,071	629,623,572	149,738,404	162,797,299
Office Equipments	4,951,292	69,037	-	5,020,329	2,952,101	260,179	-	3,212,280	1,808,049	1,999,191
Electronic Data Processing Machines	36,223,273	60,731	-	36,284,004	30,425,030	2,310,640	-	32,735,670	3,548,334	5,798,242
Electrical Installations	39,773,755	262,650	593,341	39,443,064	15,008,586	3,120,735	376,198	17,753,123	21,689,941	24,765,170
Air-conditioners	4,001,724	-	-	4,001,724	1,860,333	294,552	-	2,154,885	1,846,839	2,141,391
Fire Fighting Equipments	671,855	-	-	671,855	377,797	28,881	-	406,678	265,177	294,058
Furniture & Fittings	38,248,531	102,292	-	38,350,823	23,572,874	2,629,875	-	26,202,749	12,148,074	14,675,657
Motor Cars	11,922,691	1,507,924	1,348,147	12,082,468	8,250,334	1,027,448	1,116,062	8,161,720	3,920,748	3,672,357
Motor Van	508,681	-	-	508,681	281,403	30,660	-	312,063	196,618	227,278
Scooter & Cycles	413,967	-	44,359	369,608	364,041	11,427	44,238	331,230	38,378	49,927
Weighing Scales	399,890	-	-	399,890	318,047	11,218	-	329,265	70,625	81,843
TOTAL	1,381,168,415	9,602,464	40,209,089	1,350,561,790	834,001,994	45,810,976	16,575,264	863,237,706	487,324,084	547,166,422
Previous Year	1,376,506,053	10,872,221	6,209,859	1,381,168,415	783,961,017	52,698,516	2,657,540	834,001,994	547,166,422	

Leasehold land is being depreciated over the period of lease.

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value	As at 01.04.12		Additions (cost)		Deductions (cost)		As at 31.03.13	
		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%)		850	40,809		-		-		40,809
- OOO J J Home (FC) (100%)			6,095,172		-		-		6,095,172
- J J Creations SA (FC) (85%)			1,500,690		-		-		1,500,690
b) Others (Quoted)									
- J. J. Exporters Ltd. (held by J. J. Exporters Beneficiary Trust as Treasury Share)	10	1,303,675	81,100,278		-		-	1,303,675	81,100,278
- ABG Infralogistics Limited	10	7,500	3,442,627		-		-	7,500	3,442,627
- ABG Shipyard	10	3,000	1,699,751		-	2,000	1,133,180	1,000	566,571
c) Others (Unquoted)									
- Ballygunge Services Pvt. Ltd.	10	1,000	10,000		-		-	1,000	10,000
Total (A)			93,889,327		-		1,133,180		92,756,147
B) CURRENT INVESTMENT									
I) Investment in Govt. Securities (Non - trade) (Unquoted)									
- National Savings Certificates			12,000		-		-		12,000
II) Investment in Mutual Funds (Non - trade) (Quoted)									
- Reliance Money Manager Fund		3,932	5,576,289		-	3,932	5,576,289		-
Total (B)			5,588,289		-		5,576,289		12,000
Total (A + B)			99,477,616		-		6,709,469		92,768,147
Total :			99,477,616		-				92,768,147

	As at 31st March 2013 Cost	As at 31st March 2013 Market Value	As at 31st March 2012 Cost	As at 31st March 2012 Market Value
Aggregate value of Quoted Investments	85,109,477	12,304,221	91,818,945	23,499,372
Aggregate value of Un-quoted Investments	7,658,671	NA	7,658,671	NA

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2013	As at 31st March 2012
a) Loans :		
Unsecured, considered good :		
- To Body corporate	1,000,000	1,000,000
b) Advances to Staff (Unsecured- considered good)	–	1,296,051
c) Advance against Capital Goods	581,650	6,051,752
d) Security Deposits :		
Unsecured, considered good	1,460,924	2,557,422
Total	3,042,574	10,905,225

Note : 10 INVENTORIES	As at 31st March 2013	As at 31st March 2012
Raw Material(Includes stock in transit ` 62,281/-)	26,957,237	59,374,651
Work-in-progress	52,233,634	67,334,060
Finished goods(Includes stock in transit ` 241,345/-)	57,202,321	73,696,979
Stores	9,094,359	12,135,917
Packing materials	241,600	252,086
Total	145,729,151	212,793,693

Note : 11 TRADE RECEIVABLES	As at 31st March 2013	As at 31st March 2012
Outstanding for a period exceeding six months		
a) Secured, considered good	–	–
b) Unsecured, considered good	17,170,799	2,629,378
c) Doubtful	–	–
	17,170,799	2,629,378
Others :		
a) Secured, considered good	–	–
b) Unsecured, considered good	74,387,476	106,315,129
c) Doubtful	–	–
	74,387,476	106,315,129
Total	91,558,275	108,944,507

Due from Subsidiary companies ` 24,743,204 (` 30,372,679)

Note : 12 CASH & BANK BALANCES	As at 31st March 2013	As at 31st March 2012
Balances with Banks		
a) In Current Account	1,973,316	10,320,761
b) In Foreign Currency Account	3,236,580	2,428,703
c) In Fixed Deposit Account	525,548	508,853
d) In Margin Deposit Account	8,924,010	9,588,116
e) In Unpaid Dividend Account	284,965	513,514
	<u>14,944,419</u>	<u>23,359,947</u>
Cash on Hand		
a) Cash on Hand	222,179	556,405
b) Foreign Exchange on Hand	540	125,127
	<u>222,719</u>	<u>681,532</u>
Total	<u>15,167,138</u>	<u>24,041,479</u>

Note : 13 SHORT TERM LOANS & ADVANCES	As at 31st March 2013	As at 31st March 2012
Advance taxes	75,583,663	75,579,708
Advances recoverable in cash or in kind		
Considered good	22,368,425	37,983,630
Considered doubtful	470,983	475,387
Less:		
Provision for doubtful advance	(470,983)	(475,387)
	<u>22,368,425</u>	<u>37,983,630</u>
Claim receivable(Considered doubtful)	14,597,401	14,597,401
Less: provision	(14,597,401)	(14,597,401)
	<u>-</u>	<u>-</u>
Total	<u>97,952,088</u>	<u>113,563,338</u>

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2013	As at 31st March 2012
Interest accrued	1,296,950	899,635
Duty draw back receivable	7,137,297	5,691,651
DEPB entitlements receivable	21,603	82,984
Focus product license In hand	1,920,895	3,018,038
Tufs subsidy receivable	4,025,831	3,259,054
Total	<u>14,402,576</u>	<u>12,951,362</u>

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2013	For the year ended 31st March 2012
EXPORT SALES		
Fabrics (Silk)	330,377,030	457,708,509
Garments & Made-Ups	55,741,799	83,758,496
Fabrics (Cotton/Woolen)	25,447,698	9,011,185
	(A) <u>411,566,527</u>	<u>550,478,190</u>
Deemed Export		
Silk Fabrics	3,296,555	5,598,346
Cotton Fabrics	78,832	4,373
	(B) <u>3,375,387</u>	<u>5,602,719</u>
Local Sales/Realisation	(C) 18,328,416	22,475,784
Design & Job Charges	(D) 1,303,796	1,869,077
	(A + B + C + D) <u>434,574,126</u>	<u>580,425,770</u>
Export Incentives		
Duty Exemption Pass-book Entitlements	-	392,144
Duty Drawback	5,597,162	8,719,594
Focus Product Incentive Schemes	13,427,181	34,211,741
Service tax refund received	537,918	-
	<u>19,562,261</u>	<u>43,323,479</u>
Less: Refund of Duty Drawback	-	(7,411,710)
	<u>19,562,261</u>	<u>35,911,769</u>
Total	<u>454,136,387</u>	<u>616,337,539</u>

Local Sale Includes retail showroom sale of ` 8,289,025/- (` 9,921,331/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest	1,236,637	915,773
Dividend on long term investments	-	77,059
Rent	-	42,000
Profit/ (Loss) on Sale of Fixed Asset (net)	88,145,740	(124,390)
Profit/ (Loss) on Sale of Long term Investment (net)	(501,439)	(654,364)
Profit/ (Loss) on Sale of Short term Investment (net)	335,814	161,136
Provision for Fall In Value of Investment written back	-	488,329
Miscellaneous receipts & adjustments (net)	3,309,961	915,774
Total	<u>92,526,713</u>	<u>1,821,317</u>

Miscellaneous receipts & adjustments of this year includes Sundry balances written back (Net) of ` 2,440,125/-

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Material Consumed	206,804,139	284,500,172
Stores Consumed	11,878,263	12,604,118
Power & Fuel	28,508,699	34,031,232
Stitching, Embroidery & Designing Charges	19,089,548	20,993,657
Weaving, Dyeing, Printing & Processing Expenses	7,795,906	7,529,803
Carraige Inward	1,944,455	1,186,713
Total	<u>276,021,010</u>	<u>360,845,695</u>

Raw material consumption

- Fabrics	59,921,480	68,768,600
- Yarn	141,351,597	208,580,516
- Others	5,531,062	7,151,056
	<u>206,804,139</u>	<u>284,500,172</u>

Note : 18 (INCREASE)/DECREASE IN INVENTORIES	For the year ended 31st March 2013	For the year ended 31st March 2012
Inventories at the end of the year		
Work in Progress	52,233,634	67,334,060
Finished goods	57,202,321	73,696,979
	<u>109,435,955</u>	<u>141,031,039</u>
Inventories at the beginning of the year		
Work in Progress	67,334,060	72,986,322
Finished goods*	73,434,329	86,236,126
	<u>140,768,389</u>	<u>159,222,448</u>
Total	<u>31,332,434</u>	<u>18,191,409</u>
<i>*Excludes stock of ₹ 262,650/- which is capitalised during the year.</i>		
Details of Purchase of Traded Goods		
Silk Fabric	18,582,951	9,628,199
Cotton Fabric	1,375,869	677,308
Others (Handicrafts & Showroom)	2,818,143	2,735,883
Total	<u>22,776,963</u>	<u>13,041,390</u>

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2013	For the year ended 31st March 2012
Salary, Wages, Bonus, Gratuity & Allowances	92,890,439	107,164,046
Contribution to Provident Fund, ESI & other Funds	9,796,419	11,770,006
Staff Welfare Expenses	3,485,567	4,189,137
Total	<u>106,172,425</u>	<u>123,123,189</u>

Note : 20 FINANCE COST	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Expense	47,411,227	47,607,440
Exchange differences arising from Foreign Currency borrowings, to the extent that they are regarded as an adjustment to interest cost	-	9,369,742
Total	<u>47,411,227</u>	<u>56,977,182</u>

Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2013	For the year ended 31st March 2012
Depreciation	45,810,976	52,698,516
	<u>45,810,976</u>	<u>52,698,516</u>

Note : 22 OTHER EXPENSES	For the year ended 31st March 2013	For the year ended 31st March 2012
Rent	1,032,345	849,642
Printing & Stationery	1,691,094	1,992,150
Postage, Telegram & Telephone	2,864,772	4,147,713
Rates & Taxes	2,053,029	2,607,052
Insurance	1,098,943	666,360
Travelling Expenses		
- Foreign Travelling	6,646,281	8,079,518
- Inland Travelling	1,393,714	1,705,962
Conveyance	5,261,041	7,027,292
Payment to Auditors		
- As Auditors	797,756	774,375
- For Taxation matters	114,661	130,298
- For Certification/Limited review	70,787	274,427
- For Reimbursement of Expenses	19,494	65,997
Professional Fees	3,217,764	3,675,321
Director's Meeting Fees	342,500	512,500
Director's Remuneration	3,781,708	4,728,740
Filling Fees	9,807	21,292
Commission & Brokerage	15,368,176	26,004,718
Selling & Distribution Expenses	13,226,224	14,911,825
Repairs & Maintenance		
to Buliding	837,282	1,037,585
to Machinery	3,650,709	3,207,930
to Others	1,783,509	2,583,105
Vehicle Maintenance	2,016,614	2,128,548
Export Credit Guarantee Premium	2,434,344	2,633,956
Export Promotion Expense	144,446	217,803
Export Expense	433,254	437,283
Trade Fair Expense (Net)	3,773,288	3,582,949
Service Charge	3,663,002	4,652,379
Rebate & Discount	5,641,032	1,168,059
Net (Gain)/Loss on Foreign Currency transaction and translation	12,210,558	4,663,086
Bank Charges	3,939,902	4,053,469
Miscellaneous Expense	8,132,471	8,060,873
Total	107,650,507	116,602,207
Selling & Distribution Expenses includes-		
Advertisement	604,864	643,682
Samples (Net)*	8,385,102	10,467,560
Packing Expenses	1,520,251	1,921,612
Freight & Delivery Charges	2,716,007	1,878,971
	13,226,224	14,911,825

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

Note - 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	31.03.2013	31.03.2012
1 Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advance) - { Advance paid ` 556,650 (Previous Year ` 6,051,752/-) }	566,350	294,675
2 Contingent Liabilities not provided for :		
a) Letters of Guarantee	6,474,950	5,614,200
b) Income Tax pending in appeals for earlier years	58,608,571	5,86,08,571
c) Case pending in Labour Court	159,200	159,200
d) Sales tax claim under Appeal (For this, management expects no liability)	440,255	124,119,951
3 Significant accounting policies adopted by the company:		
a) Historical conventions and revenue recognition		
i) Financial statements are drawn using the historical cost convention and adopting accrual basis save & except realisation on account of samples which are accounted for on settlement/receipt basis in view of uncertainty of realisations.		
ii) Export sales have been booked on FOB basis on the date of shipment.		
iii) Sale of import/export entitlements received by way of SIL/QUOTA licenses has been booked as on the date of sale thereof, however Duty Draw Back and DEPB entitlement are accounted for on accrual basis on eligible amount of exports made and entitlement of target plus scheme has been accounted on utilisation basis as per the scheme. Focus product credit is booked as on the basis of licences received.		
b) Fixed assets and capital expenditure :		
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.		
ii) Capitalisation of construction period expenses: Direct expenses as well as clearly identifiable indirect expenses incurred during construction period have been capitalised directly with respective assets. Financing cost and other allocable expenses during the construction period of the project have been capitalised proportionately.		
c) Depreciation:		
Depreciation for the year has been provided on written down value method at the rate prescribed in Schedule XIV of the Companies Act, 1956 save and except for unit J.J.Spectrum Silk where depreciation has been provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Leasehold land is being depreciated over the period of lease, wherever applicable Increase/decrease in value of assets arising out of exchange rates fluctuation is charged over the remaining useful life of the assets upto the year 31st March 2007 and later on it has been charged to the statement of profit and loss in accordance with the Accounting Standard 11, notified in Companies (Accounting Standard) Rules, 2006.		
d) Valuation of Inventory:		
i) Stock of finished/semi finished goods has been valued at weighted average cost representing costs which has been incurred in bringing the inventory to their present conditions or net realisable value whichever is lower except for damaged and rejected goods which has been valued at estimated realisable value as per continuous practice followed by the company.		
ii) Raw Materials & Stores have been valued at weighted average cost or net realisable value whichever is lower.		
e) Investments:		
Non-current investments are stated at cost. Provisions are being made for diminution in value other than temporary in nature. Current investments categorywise are valued at cost or market price whichever is lower.		

f) Foreign Currency transactions:

- i) All foreign currency income and expenses are generally recorded at the exchange rate prevailing on the date of transactions/negotiations with the company's banker save & except where forward contract has been booked which is being recorded at relevant rate. Premium on forward contract are being accounted for during the life of contract.
- ii) Foreign currency retained out of export proceeds in Exchange Earners Foreign Currency Account with banker has been converted at bank advice rate applied for the relevant export bills except in case of collection bills wherein the same has been converted at spot rate prevailing on the date of realisation of the bills.
- iii) Commission to foreign agents is converted at exchange rates prevailing at the time of accounting such liability in 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 where forward contract has been booked by the company against these assets / liabilities were in the same is converted at 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

h) Defined Contribution Plans:

Company's contribution to Provident Fund and Employee State Insurance Fund are determined under the relevant Schemes and/or statute and charged to statement of profit and loss.

Defined Benefit Plans:

Company's liability towards gratuity is actuarially determined at each balance sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in statement of profit & loss. The contribution towards Gratuity is funded with LIC.

i) 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.

j) Impairment of assets :

Impairment of assets are assessed at balance sheet date and if any indicators of impairment exist, the same is assessed and provided for.

k) Provisions for contingent liabilities & contingent assets :

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

l) Government Grants :

State capital investment subsidy has been credited to capital reserve account on receipt basis.

m) Borrowing Costs :

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

- 4 In respect of the equity shares of Erstwhile J.J.Spectrum Silks Ltd. held by the company (hereinafter referred to as the transferee company), 1,303,675 shares which 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. No provision for diminution in value has been done by the company in view of its long term nature.

- 5 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.
- 6 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 Companies (Accounting Standard) Rules, 2006 has not been given.

7 Disclosures regarding derivative instruments :

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

Forward exchange contracts outstanding as at the year end:

Currency Pair	Currency	31.03.2013		31.03.2012	
		Buy	Sell	Buy	Sell
USD/INR	\$	13,265,000	\$ 250,000	225,266,250	\$ 4500,000

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

a) Where common control exist

- i) Spin International Inc.
- ii) OOO JJ Home
- iii) JJ Creation SA
- iv) Nupur Carpet Private Limited

Relationship

- Wholly Owned Subsidiary Company
- Wholly Owned Subsidiary Company
- Subsidiary Company
- Common Key Managerial Personnel

b) Key Managerial Personnel

- i) Sri S.N.Jhunjhunwala Executive-Chairman
- ii) Sri Rajiv Jhunjhunwala Executive Vice-Chairman
- iii) Mrs. Laxmi Jhunjhunwala Director (Resigned with effect from 26/06/2012)
- iv) Shri Arvind Kumar Thakur Whole Time Director & CFO (Resigned with effect from 01/06/2012)
- v) Shri A.B.Chaturvedi Whole Time Director (Appointed with effect from 16/08/2012)

c) Relative of key managerial personnel

- i) Mrs. Neha Jalan, Designing Consultant Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman
- ii) Mrs. Kavita Jhunjhunwala Wife of Mr. Rajiv Jhunjhunwala, Vice-Chairman
- iii) Ms. Megha Jhunjhunwala Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman

Nature of Transaction

	Related parties referred under (a) above		Related parties referred under (b) and (c) above	
	31.03.2013 (`)	31.03.2012 (`)	31.03.2013 (`)	31.03.2012 (`)
i) Sale of goods	82,721,436	114,976,313	-	-
ii) Remuneration paid	-		4,199,448	5,940,844
iii) Outstanding receivable	24,743,204	30,372,679	-	-
iv) Loan refund received	-	10,426,270	-	-
v) Sample development & designing charges received	1,604,544	3,247,735	-	-
vi) Investment in Share Capital (OOO JJ HOME)	-	6,078,900	-	-
vii) Loan taken	6,700,000	-	-	-
viii) Loan refunded	6,700,000	-	-	-
ix) Interest paid	357,945	-	-	-

Note : The Sale of goods include deemed export sale of subsidiary company amounting to ` 3,375,387

9 Earning per share :

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

	31.03.2013 (`)	31.03.2012 (`)
i)	(90,521,527)	(151,203,077)
ii)	9,262,250	9,262,250
iii)	(9.77)	(16.32)

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

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

	Amount Outstanding		Maximum balance during the year	
	31.03.2013 (`)	31.03.2012 (`)	31.03.2013 (`)	31.03.2012 (`)
ii) OOO J J Home	-	-	-	10,426,270

B) Loans taken from Nupur Carpets (P) Limited

	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 (2012-13)	-	6,700,000	6,700,000	6,700,000	-
Previous year (2011-12)	-	-	-	-	-

12 Profit and Loss on sale of Investment excludes ` 634/- (` 1,404/-) on account of security transaction tax paid on such transactions.

13 Imports & consumption (in INR)

	Capital Goods 31st March		Stores 31st March		Raw Materials 31st March	
	2013	2012	2013	2012	2013	2012
a) Imports (C.I.F. Value)	Nil	Nil	4,158,989	3,677,154	101,318,001	155,737,215
b) Consumption						
i) Imported	Nil	Nil	5,811,413	4,167,689	130,223,685	202,801,142
Percentage of Total			48.92%	33.07%	62.97%	71.28%
ii) Indigenous	Nil	Nil	6,066,850	8,436,429	76,580,454	816,99,030
Percentage of Total			51.08%	66.93%	37.03%	28.72%

14 Foreign Currency income & expenditure :

	31.03.2013	31.03.2012
Income :		
i) Export of goods (F.O.B. Basis) (net after adjustment of Sales returns)	411,566,527	550,478,191
ii) Sample & development cost received (net)	2,352,230	2,388,563
iii) Sundry balances written back (net)	260,125	23,557
iv) Rebates & claims	-	1,181,492
Expenditure :		
i) Commission	15,078,977	25,477,388
ii) Travelling	4,687,787	5,185,958
iii) Foreign Trade Fair	3,718,288	3,582,949
iv) Subscription	137,214	98,882
v) Others	353,092	264,198
vi) Rebates & discounts	5,732,569	2,698,867
vii) Interest paid in Indian rupees on foreign currency loans	12,200,438	9,680,437
viii) Advertisement foreign	34,105	34,170

15 Wholetime Director's Remuneration :

	31.03.2013	31.03.2012
a) Salaries & Bonus	3,235,355	3,850,380
b) Contribution to P.F. and other funds	388,243	462,048
c) Other perquisites	158,110	416,312
d) Gratuity (since reimbursed by gratuity fund)	Nil	288,104
	3,781,708	5,016,844

- 16 Land measuring about 2.07 acre duly conveyed in the name of one of the unit of the company by the State Government has been disputed by the original owner and the matter is sub-judice.
- 17 In Respect of 100% Export Oriented Units and as per the prevailing laws and guidelines, it is exempted from customs and central excise duties and levies. The Company has executed legal undertaking to pay the customs and central excise duties and liquidated damages, if any, in respect of capital goods, raw material, stores etc. procured duty free in the event of non-fulfilment of terms and conditions.
- 18 Interest include ₹ 37,360,902/- (₹ 41,991,267/-) on term loan.
- 19 Loans and advances include ₹ 18,264 (₹ 47/-) balance lying with central excise department
- 20 There is no amount to be credited to Investors Education & Protection Fund due as on 31st March 2013.
- 21 Interest on term loan is net of ₹ 5,405,941 (₹ 6,308,883/-) of TUFs subsidy.
- 22 Claims against certain Derivative transactions entered with the Bank during 2007-2008 have not been acknowledged by the company. Claims of ₹ 7.86 crores (excluding Interest) against these transactions which have been contested and not provided by the management, as the matter is subjudice. However, during the previous year, settlement was entered with one of the bank and amount paid ₹ 27,547,746/- is shown as exceptional item in the statement of profit & loss.
- 23 Exchange gain/(loss) amounting to ₹ 865,469 (₹ 3,090,383/-) in respect of forward exchange contracts for unexpired period to be recognised in subsequent period in accordance with Accounting Standard 11.
- 24 The Company has closed down its operation in its unit Dodaballapur, Bangalore with effect from 01-04-2013 and is in the process of disposing its assets thereon.
- 25 In view of unfavourable market conditions and poor working results, company has approached its lending banks for restructuring of its debts which inter alia will result in deferment of overdue interest and principal of the above debts which is under their active consideration.
- 26 The Disclosure required under Accounting Standard 15 "Employees Benefit" notified in the Companies (Accounting Standard) Rules 2006, are given below:
- A DEFINED CONTRIBUTION PLANS
- B DEFINED BENEFIT PLANS
- GRATUITY PLAN

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

	Current year Total (₹)	Previous year Total (₹)
1) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of obligation as at beginning of the year	19,276,218	19,966,158
Interest cost	1,752,501	1,569,695
Current service cost	1,571,306	1,846,224
Benefits Paid	(5,828,525)	(155,470)
Actuarial (Gain) /Loss on obligations	2,896,748	(3,950,389)
Present value of obligation as at end of the year	19,668,248	19,276,218
2) Reconciliation of opening and closing balances of Fair value of Plan Assets		
Fair value of Plan Assets at beginning of the year	21,432,681	18,288,301
Expected return on plan assets	1,744,141	1,588,839
Contribution	16,469	1,500,414
Benefits Paid	(5,828,525)	(155,470)
Actuarial Gain /(Loss) on Plan assets	(38,742)	210,597
Fair value of Plan Assets at end of the year	17,326,024	21,432,681

	Current year Total (₹)	Previous year Total (₹)
3) Reconciliation of Fair value of assets and obligations		
Actuarial Gain /(loss) for the year- obligations	(2,896,748)	3,950,389
Actuarial (Gain) /loss for the year-plan assets	(38,742)	(210,597)
Total (Gain) /loss for the year	2,935,490	(3,739,792)
Actuarial Gain /(loss) recognised in the year	(2,935,490)	(3,739,792)
4) Amount recognised in balance sheet		
Present value of defined benefit obligation	19,668,248	19,276,218
Fair value of plan assets	17,326,024	21,432,681
Net assets recognised in balance sheet	(2,342,224)	2,156,463
5) Expenses recognised during the year in the statement of profit and loss .		
Current service cost	1,571,306	1,846,224
Interest cost	1,752,501	1,569,695
Expected return on plan assets	(1,744,141)	(1,588,839)
Net Actuarial (gain) /loss recognised in the year	2,935,490	(3,739,792)
Expenses recognised in the Statement of Profit & Loss	4,515,156	(1,912,712)
6) Actuarial assumptions		
Discount Rate (Per annum)	8.25%	8.00%
Expected rate of return on plan assets (per annum)	9.00%	8.00%
Rate of escalation in salary (per annum)	5.00%	5.00%

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

27 The company has regrouped and rearranged previous year figures to confirm the corresponding figures of this year.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 56485)

Place : Kolkata

Dated: 18th May, 2013

S. L. Agrawal

Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director

Cash Flow Statement for the year ended 31st March 2013

	For the year ended 31st March 2013	For the year ended 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(90,521,527)	(150,913,074)
Adjustment for:		
Depreciation	45,810,976	52,698,516
Interest received	(1,236,637)	(915,773)
Interest paid	47,411,227	47,607,440
(Profit)/Loss on sale of Investments	165,625	493,228
(Profit)/Loss on sale of Fixed Asset	(88,145,740)	124,390
Provision for fall in the value of Current Investment	–	(488,329)
Dividend received	–	(77,059)
Operating Profit before Working Capital changes	(86,516,076)	(51,470,661)
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	(9,537,992)	8,429,144
Increase/(Decrease) in Other Current Liabilities	(19,391,665)	5,784,455
Decrease/(Increase) in Trade Receivables	17,386,232	3,791,713
Decrease/(Increase) in Inventories	67,064,542	69,100,304
Decrease/(Increase) in Long- Term Loans and Advances	2,392,549	(1,389,727)
Decrease/(Increase) in Short - Term Loans and Advances	15,615,205	(10,491,153)
Decrease/(Increase) in Other Current Assets	(1,053,899)	331,878
Cash generated from operations/(used in) Operations	(14,041,104)	24,085,953
Direct Taxes Paid (Net)	(68,955)	22,536
Net Cash from Operating activities	(14,110,059)	24,108,489
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Including capital work in progress)	(3,132,362)	(8,505,865)
Sale of Fixed Assets	91,779,565	20,061,573
Loan given(-) / Refund received(+)	–	10,426,270
Purchase of Investments (Including Share Application Money)	–	(26,078,900)
Sale of Investments	6,543,844	16,060,135
Interest received	839,322	2,535,310
Dividend received	–	77,059
Net Cash from Investing activities	96,030,369	14,575,582

Cash Flow Statement for the year ended 31st March 2013 (Contd.)

	For the year ended 31st March 2013	For the year ended 31st March 2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from Long term Borrowings	(52,208,750)	-
Proceeds/(Repayment) from Short term Borrowings	9,243,132	(18,114,092)
Interest paid	(47,600,813)	(35,988,501)
Dividend paid (Unclaimed)	(228,220)	(178,628)
Net Cash from Financing activities	(90,794,651)	(54,281,221)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(8,874,341)	(15,597,150)
Cash and Cash Equivalents at the beginning of the year	24,041,479	39,638,629
Cash and cash Equivalents at the end of the year	15,167,138	24,041,479
Components of Cash & Cash Equivalents:		
Balances with Banks		
- In Current Account	1,973,316	10,320,761
- In Foreign Currency Account	3,236,580	2,428,703
- In Fixed Deposit Account	525,548	508,853
- In Margin Deposit Account	8,924,010	9,588,116
- In Unpaid Dividend Account	284,965	513,514
Cash on Hand	222,719	681,532
	15,167,138	24,041,479

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 Companies (Accounting Standards) Rules, 2006.
- Cash & Cash Equivalents as of March 31, 2013 and March 31, 2012 include restricted Cash & Bank balances. The restrictions are primarily on account of Bank balances held as margin money deposits against guarantees and unpaid dividends.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 56485)

Place : Kolkata

Dated: 18th May, 2013

S. L. Agrawal

Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman**Rajiv Jhunjunwala** — Vice Chairman**A. B. Chaturvedi** — Director

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

Particulars	Spin Intl. Inc.		OOO JJ Home		JJ Creations S.A.	
	US\$	(`)	Rouble	(`)	Euro	(`)
1 Capital	1,000	53,990	3,500,000	6,125,000	61,500	4,244,730
2 Reserves	885,329	47,798,913	(4,114,760)	(7,200,830)	23,010	1,588,150
3 Total Assets	914,936	49,397,395	14,869,000	26,020,750	103,006	7,109,474
4 Total Liabilities (Excluding Capital & Reserves)	29,607	1,598,482	15,483,760	27,096,580	18,496	1,276,594
5 Details of Investment (Except in case of Investment in Subsidiaries)	—	—	—	—	—	—
6 Turnover	2,168,164	113,655,157	22,506,940	38,937,006	56,350	3,854,340
7 Profit Before Taxation	36,388	1,907,459	(967,760)	(1,674,255)	6,648	454,723
8 Provision for Taxation (a) Income Tax (Net) (b) Fringe benefit Tax	10,909	571,850	—	—	1,448	99,043
9 Profit After Taxation	25,479	1,335,609	(967,760)	(1,674,225)	5,200	355,680
10 Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL

- Note : (1) Assets & Liabilities in Foreign Currencies have been converted to INR at the exchange rate Prevailing on 31st March, 2013 at US\$ = INR 53.99; EURO=INR 69.02; RBLS=INR 1.75
- (2) Income & Expenditure in Foreign Currencies have been converted to INR at the Average Exchange Rate for the Financial Year 2012-13 at US\$ = INR 52.42 ; EURO=INR 68.40, RBLS=INR 1.73.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. : 302111E

Anand Prakash

Partner

(Membership No. 56485)

Place : Kolkata

Dated: 18th May, 2013

S. L. Agrawal
Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF J J EXPORTERS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of J J EXPORTERS LIMITED and its foreign subsidiaries, which comprise the consolidated Balance Sheet as at 31st March 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

We did not audit the financial statements of foreign subsidiaries for the year ended 31st March, 2013, whose financial statements reflect total assets of Rs. 7,25,22,253/- and total revenue of Rs. 15,11,18,565/- for the year ended. These financial statements have been complied/ certified by other auditors, whose reports have been furnished to us and our opinion, in so as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors and certified by management.

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Kolkata
Date: 18th day of May, 2013

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

Consolidated Balance Sheet as at 31st March 2013

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2013	As at 31st March 2012
Shareholders' Fund			
Share Capital	1	92,622,500	92,622,500
Reserves and Surplus	2	201,954,574	290,541,960
		<u>294,577,074</u>	<u>383,164,460</u>
Minority Interest		853,020	788,544
Non-Current Liabilities			
Long-term borrowings	3 (a)	180,306,000	275,127,000
		<u>180,306,000</u>	<u>275,127,000</u>
Current Liabilities			
Short-term borrowings	3 (b)	260,790,678	251,547,546
Trade payables	4	50,824,872	54,769,359
Other current liabilities	5	141,554,694	139,924,916
Short-term provisions	6	61,770,448	61,835,448
		<u>514,940,692</u>	<u>508,077,269</u>
Total		<u>990,676,786</u>	<u>1,167,157,273</u>
II. ASSETS	Notes	As at 31st March 2013	As at 31st March 2012
Non-Current Assets			
Fixed assets			
- Tangible assets	7	487,824,071	547,724,690
- Capital Work In Progress		2,590,374	3,590,374
Non-current investments	8 (a)	85,119,477	86,252,656
Long term loans and advances	9	3,042,574	13,890,804
		<u>578,576,496</u>	<u>651,458,524</u>
Current Assets			
Current Investments	8 (b)	12,000	5,588,289
Inventories	10	183,171,924	246,721,025
Trade receivables	11	76,386,530	96,841,702
Cash and Bank Balances	12	29,547,702	29,165,683
Short-term loans and advances	13	105,876,927	124,430,688
Other current assets	14	17,105,207	12,951,362
		<u>412,100,290</u>	<u>515,698,749</u>
Total		<u>990,676,786</u>	<u>1,167,157,273</u>
Significant Accounting Policies and notes to accounts	23		

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No.: 56485)

ICAI Reg. No. 302111E

Place : Kolkata

Dated: 18th day of May, 2013

S. L. Agrawal

Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

PARTICULARS	Notes	For the year ended 31st March 2013	For the year ended 31st March 2012
I. Revenue from operations	15	521,905,336	685,376,398
II. Other Income	16	93,154,893	3,130,370
III. Total Revenue (I + II)		615,060,229	688,506,768
IV. Expenses:			
Cost of materials consumed & other manufacturing expenses	17	276,090,535	361,029,986
Purchase of traded goods	18	54,627,083	42,593,022
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	27,816,992	12,506,920
Employee benefit expenses	19	124,067,441	145,343,154
Finance costs	20	47,411,561	56,977,573
Depreciation and amortisation expenses	21	45,984,845	52,868,299
Other expenses	22	127,145,232	135,672,897
Total Expenses		703,143,689	806,991,851
V. Profit/(Loss) before prior period adjustments, exceptional items and tax (III - IV)		(88,083,460)	(118,485,083)
VI. Prior Period Adjustments		9,085	44,596
VII. Profit/(Loss) before exceptional items and tax (V - VI)		(88,092,545)	(118,529,679)
VIII. Exceptional Items (Refer Clause 22 of Note - 23)		–	27,547,746
IX. Profit/(Loss) before tax (VII - VIII)		(88,092,545)	(146,077,425)
X. Tax expense:			
(1) Current tax (Wealth tax)		688,932	967,757
(2) Deferred tax		–	–
(3) Income tax for earlier years		–	290,003
XI. Profit/(Loss) after tax (IX - X)		(88,781,477)	(147,335,185)
Less: Minority Interest		53,037	95,048
XII. Profit/(Loss) after Tax and Minority Interest		(88,834,514)	(147,430,233)
XIII. Earning per equity share: (Refer Clause 12 of Note - 23)		(9.59)	(15.92)

Significant Accounting Policies and notes to accounts

23

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No.: 56485)

ICAI Reg. No. 302111E

Place : Kolkata

Dated :18th day of May, 2013

S. L. Agrawal
Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman**Rajiv Jhunjunwala** — Vice Chairman**A. B. Chaturvedi** — Director

NOTE : 1 SHARE CAPITAL	As at 31st March 2013	As at 31st March 2012
Authorised Shares		
Equity shares		
10,000,000 (10,000,000) shares of ` 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up Shares		
Equity shares		
1,257,500 (1,257,500) shares of ` 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (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 (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 (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 shares outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2013	Nos.	As at 31st March 2012
At the beginning of the period	–	–	9,262,250	92,622,500
Issued during the period	–	–	–	–
Outstanding at the end of the period	–	–	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 2013	Nos.	As at 31st March 2012
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	5,876,000	58,760,000	5,876,000	58,760,000
Issued during the year	–	–	–	–
Outstanding at the end of the year	5,876,000	58,760,000	5,876,000	58,760,000
Equity share allotted as fully paid up pursuant to contracts for consideration other than Cash				
At the beginning of the year	2,128,750	21,287,500	2,128,750	21,287,500
Issued during the year	–	–	–	–
Outstanding at the end of the year	2,128,750	21,287,500	2,128,750	21,287,500

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

Particulars	Nos.	As at 31st March 2013 % Holding in the Class	Nos.	As at 31st March 2012 % Holding in the Class
Equity Shares of ` 10 Each				
Nupur Carpets Private Limited	2,605,651	28.13	2,600,241	28.07
J J Exporters Beneficiary Trust	1,303,675	14.08	1,303,675	14.08
Akhilesh Jhunjhunwala Beneficiary Trust	636,400	6.87	636,400	6.87

Note : 2 RESERVE & SURPLUS	As at 31st March 2013	As at 31st March 2012
a) Capital Reserve		
Opening Balance		
Pursuant to Scheme of Amalgamation	1,580,077	1,580,077
Capital subsidy received from WBIDC	7,934,000	7,934,000
Addition	-	-
Deduction	-	-
Closing Balance	9,514,077	9,514,077
b) Share Premium Account		
Opening Balance	48,203,900	48,203,900
Addition	-	-
Deduction	-	-
Closing Balance	48,203,900	48,203,900
c) Foreign Currency Reserve on Consolidation	624,743	377,615
d) General Reserve		
Opening Balance	344,400,000	344,400,000
Addition	-	-
Deduction	-	-
Closing Balance	344,400,000	344,400,000
e) Surplus/(Deficit) as per Statement of Profit and Loss		
Opening Balance	(111,953,632)	35,476,601
Addition	(88,834,514)	(147,430,233)
Deduction	-	-
Closing Balance	(200,788,146)	(111,953,632)
Total	201,954,574	290,541,960

Note : 3 BORROWINGS	As at 31st March 2013				As at 31st March 2012			
	(₹)				(₹)			
	Long term Borrowings	Current maturity of long term borrowings	Short term Borrowings	Total Borrowings	Long term Borrowings	Current maturity of long term borrowings	Short term Borrowings	Total Borrowings
A Term Loans								
Secured								
- From Bank	271,691,250	-	-	271,691,250	323,900,000	-	-	323,900,000
- From Body Corporate (ABG PORTS)	10,000,000			10,000,000	10,000,000	-	-	10,000,000
Less: Current maturity of long term borrowings shown as other current liabilities (Refer note-5)	(101,385,250)	101,385,250	-	-	(58,773,000)	58,773,000	-	-
	180,306,000							
B Working Capital Loan From Bank								
Secured								
- Packing Credit Loan -INR			-	-			9,000,001	9,000,001
- Packing Credit Loan -Foreign Currency	-	-	204,662,399	204,662,399	-	-	178,643,106	178,643,106
- Bill Discounted With Banks-Foreign Currency	-	-	52,616,722	52,616,722	-	-	63,904,439	63,904,439
- Cash Credit From Banks	-	-	3,511,557	3,511,557	-	-	-	-
Total	180,306,000	101,385,250	260,790,678	542,481,928	275,127,000	58,773,000	251,547,546	585,447,546

- a) Working capital facilities with Indian Overseas Bank and Federal Bank Ltd are secured by first charge on Current Assets of the Company on pari-passu basis. Further, Current assets of the company has also been charged to Citi Bank on pari-passu basis from whom there are no facilities availed as on date.
- b) As collateral security, Indian Overseas Bank has second pari-passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- c) As collateral security, The Federal Bank Ltd. has second pari-passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Doddaballapur, Bangalore, (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal, (iv) Mortgage on Land & Building at 51/2, Hindustan Park, Kolkata and (v) Mortgage on flat at Santilla Apartment, Yelhanka, Bangalore.

Further, the working capital limits of Indian Overseas Bank and Federal Bank Ltd. are also secured by personal guarantee of two Directors of the company.

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

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

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

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

- f) Terms of repayment of Term Loans

- From Bank				
Particulars	Term Loan I	Term Loan II	Term Loan III	Total
Name of the Bank	IDBI	IDBI	IDBI	
Amount outstanding as on 31st March 2013 (` In lakh)	913	270.56	1,533.35	2,716.91
Repayment Schedule				
Term Loan I	a) ` 2,500,000/- to be repaid in 1 monthly instalment due on 1st March, 2013. b) ` 40,800,000/- to be repaid in 12 equal monthly instalments of ` 3,400,000/- starting from 1st of April 2013. c) ` 48,000,000/- to be repaid in 12 equal monthly instalments of ` 4,000,000/- starting from 1st of April 2014.			
Term Loan II	a) Fully to be repaid in 37 equal monthly instalments of ` 731,250/- starting from 1st March, 2013.			
Term Loan III	a) ` 19,998,000 to be repaid in 7 equal monthly instalments of ` 3,333,000/- from 1st March, 2013 onwards. b) ` 50,496,000 to be repaid in 12 equal monthly instalments of ` 4,208,000/- starting from 1st of October 2013. c) ` 75,072,000 to be repaid in 17 equal monthly instalments of ` 4,416,000/- starting from 1st of October 2014. d) Rest of ` 4,436,000 to be repaid on 1st of March 2016.			
- From Other Parties	To be repaid latest by 24th of November 2015.			

Note : 4 TRADE PAYABLES	As at 31st March 2013	As at 31st March 2012
Sundry Creditors for Goods and Services	50,824,872	54,769,359
Total	50,824,872	54,769,359

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

Note : 5 OTHER CURRENT LIABILITIES	As at 31st March 2013	As at 31st March 2012
Interest Accrued & Due on borrowings	7,472,494	7,011,699
Interest Accrued but not due	4,367,160	5,017,541
Current maturity of a long term loan	101,385,250	58,773,000
Advance from Customers	7,932,678	26,204,467
Payable for employee benefits	13,582,769	15,842,668
Other Payables	1,903,232	5,328,662
Advance against sale of properties	—	20,000,000
Bank Book Overdraft	4,636,239	1,243,787
Unclaimed Dividend	274,872	503,092
Total	141,554,694	139,924,916

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2013	As at 31st March 2012
Provision For Income Tax & FBT	61,770,448	61,835,448
Total	61,770,448	61,835,448

Note : 7 FIXED ASSETS

PARTICULARS	COST			ACCUMULATED DEPRECIATION & AMORTISATION				NET BOOK VALUE	
	01.04.2012	Addition	Deduction	31.03.2013	01.04.2012	Charge for The Year	Deduction/ Adjustment	31.03.2013	31.03.2012
Tangible Assets									
Freehold Land	36,596,905	-	13,262,042	23,334,863	-	-	-	23,334,863	36,596,905
Leasehold Land *	366,381	-	-	366,381	198,102	12,213	-	156,066	168,279
Buildings & Structures	427,452,563	7,566,320	24,652,759	410,366,124	133,553,740	22,997,113	14,746,695	268,561,966	293,898,823
Leasehold Shed	539,732	-	-	539,732	539,732	-	-	-	-
Plant & Machineries	779,490,330	33,510	308,441	779,215,399	616,706,640	13,076,035	292,071	149,724,796	162,783,690
Office Equipments	6,494,918	154,071	-	6,648,989	4,108,763	290,813	-	2,249,413	2,386,155
Electronic Data Processing Machines	36,303,687	91,283	-	36,394,970	30,505,444	2,310,640	-	3,578,886	5,798,243
Electrical Installations	40,072,095	262,650	593,341	39,741,404	15,168,832	3,120,735	376,198	21,828,034	24,903,263
Air-conditioners	4,001,724	-	-	4,001,724	1,783,139	294,552	-	1,924,033	2,218,585
Fire Fighting Equipments	671,855	-	-	671,855	377,797	28,881	-	265,177	294,058
Furniture & Fittings	38,898,729	102,292	-	39,001,021	24,253,443	2,773,110	-	11,974,468	14,645,286
Motor Cars	11,922,690	1,507,924	1,348,147	12,082,467	8,250,334	1,027,448	1,116,062	3,920,747	3,672,356
Motor Van	508,681	-	-	508,681	281,403	30,660	-	196,618	227,278
Scooter & Cycles	433,702	-	44,359	389,343	389,199	11,427	44,239	32,956	44,503
Weighing Scales	380,155	-	-	380,155	292,889	11,218	-	76,048	87,266
Total	1,384,134,147	9,718,050	40,209,089	1,353,643,108	836,409,457	45,984,845	16,575,265	487,824,071	547,724,690
Previous Year	1,379,247,675	11,096,331	6,209,859	1,384,134,147	786,198,698	52,868,299	2,657,540	547,724,690	

Leasehold land is being depreciated over the period of lease.

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value	As at 01.04.12		Additions (cost)		Deductions (cost)		As at 31.03.13	
		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) Others (Quoted)									
- J. J. Exporters Ltd. (Held by J. J. Exporters Beneficiary Trust as Treasury Share)	10	1,303,675	81,100,278	-	-	-	-	1,303,675	81,100,278
- ABG Infralogistics Limited	10	7,500	3,442,628	-	-	2,000	1,133,180	7,500	3,442,628
- ABG Shipyard	10	3,000	1,699,751	-	-	-	-	1,000	566,571
b) Others (Unquoted)									
- Ballyunge Services Pvt. Ltd.	10	1,000	10,000	-	-	-	-	1,000	10,000
Total (A)			86,252,657				1,133,180		85,119,477
B) CURRENT INVESTMENT									
i) Investment in Govt. Securities (Non-trade) (Unquoted)									
- National Savings Certificates			12,000						12,000
iii) Investment in Mutual Funds (Non - trade)									
- Reliance Money Manager Fund		3,932	5,576,289			3,932	5,576,289		-
Total (B)			5,588,289				5,576,289		12,000
Total (A + B)			91,840,946				6,709,469		85,131,477
Total :-			91,840,946						85,131,477

	As at 31st March 2013	As at 31st March 2012
	Cost	Market Value
Aggregate value of Quoted Investments	85,109,477	12,304,221
Aggregate value of Un-quoted Investments	22,000	NA
	91,818,945	23,499,372
	22,100	NA

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2013	As at 31st March 2012
a) Loans :		
Unsecured, Considered Good		
- To Others	1,000,000	1,000,000
b) Advances to Staff (Unsecured - Considered Good)	–	1,296,051
c) Advance Against Capital Goods	581,650	6,051,752
d) Security Deposits :		
Unsecured, Considered Good	1,460,924	5,543,001
Total	<u>3,042,574</u>	<u>13,890,804</u>

Note : 10 INVENTORIES	As at 31st March 2013	As at 31st March 2012
Raw Material (Includes stock in transit ` 62281/-)	26,957,237	59,374,651
Work-In progress	52,233,634	67,334,060
Finished goods (Includes stock in transit ` 241345 /-)	57,202,321	73,696,979
Stores	9,094,359	12,135,916
Packing Materials	241,600	252,087
Stock in trade	37,442,773	33,927,332
Total	<u>183,171,924</u>	<u>246,721,025</u>

Note : 11 TRADE RECEIVABLES	As at 31st March 2013	As at 31st March 2012
Outstanding for a period exceeding six months		
a) Secured, considered good	–	–
b) Unsecured, considered good	1,426,809	2,629,378
c) Doubtful	–	–
	<u>1,426,809</u>	<u>2,629,378</u>
Others :		
a) Secured, Considered Good	–	–
b) Unsecured, Considered Good	74,959,721	94,212,324
c) Doubtful	–	–
	<u>74,959,721</u>	<u>94,212,324</u>
Total	<u>76,386,530</u>	<u>96,841,702</u>

Note : 12 CASH & BANK BALANCES	As at 31st March 2013	As at 31st March 2012
Balances With Banks		
a) In Current Account	1,973,316	10,320,761
b) In Foreign Currency Account	3,236,580	2,428,703
c) In Fixed Deposit Account	525,548	508,853
d) In Margin Deposit Account	8,924,010	9,588,116
e) In Unpaid Dividend Account	284,965	513,514
	14,944,419	23,359,947
Cash & Cash Equivalents		
a) Cash in Hand	14,602,743	5,680,609
b) Foreign Exchange in Hand	540	125,127
	14,603,283	5,805,736
Total	29,547,702	29,165,683

Note :13 SHORT TERM LOANS & ADVANCES	As at 31st March 2013	As at 31st March 2012
Advance taxes	75,583,663	75,579,708
Advances recoverable in Cash or in kind		
Considered Good	30,293,264	48,850,980
Considered Doubtful	470,983	475,387
Less:		
Provision for Doubtful Advance	(470,983)	(475,387)
	105,876,927	48,850,980
Claim Receivable	14,597,401	14,597,401
Less: Provision	(14,597,401)	(14,597,401)
Total	105,876,927	124,430,688

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2013	As at 31st March 2012
Interest Accrued	1,296,950	899,635
Duty Draw back Receivable	7,137,297	5,691,651
DEPB Entitlements Receivable	21,603	82,984
Focus Product License In hand	1,920,895	3,018,038
Tufs Subsidy Receivable	4,025,831	3,259,054
Hotel facility in hand (Hotel Hilton)	2,702,631	-
Total	17,105,207	12,951,362

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2013	For the year ended 31st March 2012
SALE OF PRODUCTS		
Export Sales		
Fabrics (Silk)	402,806,930	526,747,368
Garments & Made-Ups	55,741,799	83,758,496
Fabrics (Cotton/Woolen)	24,162,134	9,011,185
(A)	<u>482,710,863</u>	<u>619,517,049</u>
Deemed Export		
Silk Fabrics	–	5,598,346
Cotton Fabrics	–	4,373
(B)	<u>–</u>	<u>5,602,719</u>
Local Sales/Realisation	(C) 18,328,416	22,475,784
Design & Job Charges	(D) 1,303,796	1,869,077
(A + B + C + D)	<u>502,343,075</u>	<u>649,464,629</u>
Export Incentives		
Duty Exemption Pass-book Entitlements	–	392,144
Duty Drawback	5,597,162	8,719,594
Focus Product Incentive Schemes	13,427,181	34,211,741
Service tax refund received	537,918	–
	<u>19,562,261</u>	<u>43,323,479</u>
Less: Refund of Duty Drawback	–	(7,411,710)
	<u>19,562,261</u>	<u>35,911,769</u>
Total	<u>521,905,336</u>	<u>685,376,398</u>

Local Sale Includes retail showroom sale of ` 8,289,025/- (` 9,921,331/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest	1,236,637	915,773
Dividend on long term investments	–	77,059
Rent	–	42,000
Profit/ (Loss) on Sale of Fixed Asset (net)	88,145,740	(124,390)
Profit/ (Loss) on Sale of Long term Investment (net)	(501,439)	(654,364)
Profit/ (Loss) on Sale of Short term Investment (net)	335,814	161,136
Provision For Fall In Value of Investment written back	–	488,329
Miscellaneous Receipts & Adjustments (Net)	3,938,141	2,224,827
Total	<u>93,154,893</u>	<u>3,130,370</u>

Miscellaneous receipts & adjustments of this year includes Sundry balances written back (Net) of ` 2,440,125/-

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2013	For the year ended 31st March 2012
Raw Material Consumed	206,804,139	284,500,172
Stores Consumed	11,878,263	12,604,118
Power & Fuel	28,508,699	34,031,232
Stitching, Embroidery & Designing Charges	19,089,548	20,993,657
Weaving, Dyeing, Printing & Processing Expenses	7,795,906	7,529,803
Carriage Inward	2,013,980	1,371,004
Total	276,090,535	361,029,986
<i>Raw Material consumption</i>		
–Fabrics	59,921,480	68,768,600
–Yarn	141,351,597	208,580,516
–Others	5,531,062	7,151,056
	206,804,139	284,500,172

Note : 18 (INCREASE)/DECREASE IN INVENTORIES	For the year ended 31st March 2013	For the year ended 31st March 2012
Inventories at the end of the year		
Work in Progress	52,233,634	67,334,060
Finished goods	57,202,321	73,696,979
Stock in trade	37,442,773	33,927,331
	146,878,728	174,958,370
Inventories at the beginning of the year		
Work in Progress	67,334,060	72,986,322
Finished goods*	73,434,329	86,236,127
Stock in trade	33,927,331	28,242,841
	174,695,720	187,465,290
Total	27,816,992	12,506,920
<i>Details of Purchase of Traded Goods</i>	2012-13	2011-12
Silk Fabric	50,433,071	39,179,831
Cotton Fabric	1,375,869	677,308
Others (Handicrafts & Showroom)	2,818,143	2,735,883
<i>Total</i>	54,627,083	42,593,022

*Excludes stock of ₹ 262,650/- which is capitalised during the year.

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2013	For the year ended 31st March 2012
Salary, wages, Bonus, Gratuity & allowances	110,633,613	128,069,661
Contribution to Provident Fund, ESI & Other Fund	9,796,419	11,770,006
Staff Welfare Expenses	3,637,409	5,503,487
Total	124,067,441	145,343,154

Note : 20 FINANCE COST	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Expense	47,411,561	47,607,831
Exchange differences arising from Foreign Currency borrowings to the extent that they are regarded as an adjustments to interest costs	–	9,369,742
Total	47,411,561	56,977,573
Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2013	For the year ended 31st March 2012
Depreciation	45,984,845	52,868,299
Total	45,984,845	52,868,299
Note : 22 OTHER EXPENSES	For the year ended 31st March 2013	For the year ended 31st March 2012
Rent	6,190,770	3,093,634
Printing & Stationery	1,741,958	2,029,165
Postage, Telegram & Telephone	4,280,659	5,400,900
Rates & Taxes	2,073,348	2,617,488
Insurance	2,764,138	1,171,924
Travelling Expenses		
- Foreign Travelling	7,661,919	8,744,338
- Inland Travelling	1,393,714	1,705,962
Conveyance	5,758,099	7,027,292
Payment to Auditors		
- As Auditors	901,556	774,375
- For Taxation matters	114,661	130,298
- For Certification/Limited review	70,787	274,427
- For Reimbursement of Expenses	19,494	65,997
Professional Fees	3,926,466	4,423,961
Directors' Meeting Fees	342,500	512,500
Director's Remuneration	3,781,708	4,728,740
Filing Fees	9,807	21,292
Commission & Brokerage	18,637,181	27,219,696
Selling & Distribution Expenses	14,910,172	18,159,560
Repairs & Maintenance		
To Building	837,282	1,037,585
To Machinery	3,650,709	3,207,930
To Others	1,905,511	2,634,974
Vehicle Maintenance	2,016,614	2,128,549
Export Credit Guarantee Premium	2,434,344	2,633,956
Export Promotion Expense	144,446	217,803
Export Expense	433,254	437,283

Trade Fair Expense (Net)	3,773,288	3,582,949
Service Charge	3,663,002	4,652,379
Rebate & Discount	5,641,032	1,168,059
Net (Gain)/ Loss on Foreign Currency transaction and translation	12,166,317	3,358,032
Bank Charges	4,867,526	4,736,300
Miscellaneous Expense	11,032,970	17,775,549
Total	<u>127,145,232</u>	<u>135,672,897</u>
Selling & Distribution Expenses includes-		
Advertisement	684,268	643,682
Samples (Net) *	9,989,646	13,715,295
Packing Expenses	1,520,251	1,921,612
Freight & Delivery Charges	2,716,007	1,878,971
	<u>14,910,172</u>	<u>18,159,560</u>

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

NOTE 23 : Significant Accounting Policies and Notes to Accounts
1 Subsidiaries

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

Name of the Subsidiary	Country of Incorporation	Percentage of Holding
Spin International INC	U.S.A.	100.00%
OOO JJ Homes	Russia	100.00%
JJ Creations S.A	Belgium	85.00%

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

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

- { Advance paid ` 556,650 (Previous Year ` 6,051,752/-) }

- 4 Contingent Liabilities not provided for :

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

	31.03.2013	31.03.2012
	566,350	294,675
	6,474,950	5,614,200
	58,608,571	58,608,571
	159,200	159,200
	440,255	124,119,951

- 5 Disclosures regarding Derivative Instruments

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

Forward exchange contracts outstanding as at the year end:

		31.03.2013		31.03.2012	
Currency Pair	Currency	Buy	Sell	Buy	Sell
USD/INR	\$	` 13,265,000	\$ 250,000	` 225,266,250	\$ 4,500,000

- 6 Exchange gain/(Loss) amounting to ` 865,469 (` 3,090,383/-) in respect of Forward Exchange Contracts for unexpired period to be recognised in subsequent period in accordance with Accounting Standard 11.

- 7 In respect of the equity shares of erstwhile J.J. Spectrum Silks Ltd. held by the Company (hereinafter referred to as the transferee company), 1,303,675 shares which has been issued by the transferee company in terms of scheme, to the Board of trustees to have and to hold such shares in trust exclusively for the benefit of the transferee Company and deal with the same as they deem fit.

The above shares have been valued at cost. No provision for diminution in value has been done by the company in view of its long term nature.

- 8 Interest include ` 37,360,902 (` 41,991,267/-) on term loan.

- 9 In the opinion of board of directors, all the current Assets, loan and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.

- 10 As the company's business activities fall mainly within a single primary business segment viz. Dealing in fabrics and accessories, so disclosure requirement of accounting standard 17 Segment Reporting notified in Companies (Accounting Standard) Rules, 2006 has not been given.

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

Name of the related party	Relationship
a) Where common control exist.	
Nupur Carpet Private Limited	Common Key Managerial Personnel
b) Key Managerial Personnel	
i) Sri S. N. Jhunjhunwala	Executive-Chairman
ii) Sri Rajiv Jhunjhunwala	Executive Vice-Chairman
iii) Mrs. Laxmi Jhunjhunwala	Director (Resigned with effect from 26/06/2012)
iv) Shri Arvind Kumar Thakur	Whole Time Director & CFO(Resigned with effect from 01/06/2012)
v) Shri A. B. Chaturvedi	Whole Time Director (Appointed with effect from 16/08/2012)
c) Relative of key managerial personnel	
i) Mrs. Neha Jalan, Designing Consultant	Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman
ii) Mrs. Kavita Jhunjhunwala	Wife of Mr. Rajiv Jhunjhunwala, Vice-Chairman
iii) Ms. Megha Jhunjhunwala	Daughter of Mr. Rajiv Jhunjhunwala, Vice-Chairman

Name of Transaction:-	31.03.2013 `		31.03.2012 `	
	In Respect of (a) & (b) above	In Respect of (c) above	In Respect of (a) & (b) above	In Respect of (c) above
Remuneration paid	3,781,708	417,740	5,016,844	924,000
Loan taken	6,700,000	-		
Loan refunded	6,700,000	-		
Interest paid	357,945	-		

12 Earning per share:-

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

	2012-13 `	2011-12 `
	(88,834,514)	(147,430,233)
	9,262,250	9,262,250
	(9.59)	(15.92)

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

14 Wholetime Directors Remuneration :

	31.03.2013 `	31.03.2012 `
Salaries and Bonus	3,235,355	3,850,380
Contribution to P.F. and other Funds	388,243	462,048
Other Perquisites	158,110	416,312
Gratuity (since reimbursed by Gratuity Fund)	Nil	288,104
Total	3,781,708	5,016,844

15 Loans taken from Nupur Carpets (P) Limited

	Opening balance (`)	Loan taken during the year (`)	Loan refunded during the year (`)	Maximum balance outstanding during the year (`)	Outstanding at the year end (`)
ende					
Current year (2012-13)	-	6,700,000	6,700,000	6,700,000	-
Previous year (2011-12)	-	-	-	-	-

- 16 Balances lying with Central Excise Department are included in Loans and Advances amounting to ₹ 18,264 (₹ 47).
- 17 Land measuring about 2.07 acres duly conveyed in the name of one of the unit of the company by the State Government has been disputed by the original owners and the matter is subjudiced.
- 18 Profit and Loss on sale of Investment excludes ₹ 634/- (₹ 1,404/-) on account of security transaction tax paid on such transactions.
- 19 There is no amount due to be credited to Investor's Education and Protection Fund as on 31.03.2013.

20 Minority Interest consists of the following

- i) Share Capital
ii) Debit/Credit Balance of Statement of Profit & Loss
iii) Profit During the year

	2012-13 (₹)	2011-12 (₹)
i) Share Capital	636,710	625,271
ii) Debit/Credit Balance of Statement of Profit & Loss	163,273	68,225
iii) Profit During the year	53,037	95,048

- 21 Interest on term loan is net of ₹ 5,405,941/- (₹ 6,308,883/-) of TUFs subsidy.
- 22 Claims against certain Derivative transactions entered with the Bank during 2007-2008 has not been acknowledged by the company. Claims of ₹ 7.86 crores (excluding Interest) against these transactions which have been contested and has not been provided by the management, as the matter is subjudice. However, during the previous year, settlement was entered with one of the bank and amount paid ₹ 27,547,746/- is shown as an exceptional item in the Statement of Profit & Loss.
- 23 Certain Non Current Investments are strategic in nature and as per the management, fall in value is temporary in nature, hence it has not been provided in these accounts.

24 **Significant Accounting Policies adopted by the Company :**

A) Basis of Preparation of Financial Statements:

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

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

B) Principle of Consolidation :

- i) The Financial Statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealised profits to the extent possible. No impact of intra-group transaction of Fixed Asset has been taken being not significant in nature.
- ii) The Financial Statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The excess of the cost of the Parent Company of its investments in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the Financial Statements as Goodwill/Capital reserve and charged to revenue. However such excess or deficit arising after the acquisition date on account of currency fluctuation in respect of Foreign subsidiary is transferred to Currency Fluctuation reserves or Goodwill. Goodwill arising out of consolidation is written off during the year as a matter of prudence.

C) Historical Cost Conventions and Revenue Recognition:

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

D) Fixed Assets and capital expenditure:

- i) Fixed Assets are stated at cost which includes installation & other expenditures. Such expenditure comprises 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, Financing cost and other allocable expenses during the construction period of project have been capitalised proportionately.

E) Depreciation:

Depreciation for the year has been provided on written down value method at the rate prescribed in Schedule XIV of the Companies Act, 1956 save and except, in case assets of Unit - J J Spectrum Silk and Spin International INC, a subsidiary company which have been depreciated on Straight line method basis at the rate prescribed as per applicable laws. Lease hold assets are amortised over the period of lease, wherever applicable. Increase and decrease in the value of assets arising out of exchange fluctuation is charged over the remaining useful life of the assets.

F) Valuation of Inventory:

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

G) Investment:

Non Current Investments are stated at cost. Provisions which have been made for diminution in value other than temporary in nature have been written back due to sale of Investments. Current Investments categorywise are valued at cost or market price whichever is lower.

H) Foreign Currency Transactions:

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

I) Employees Benefit

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

Defined Contribution Plans:

Company's contribution to Provident Fund and Employee State Insurance Fund are determined under the relevant Schemes and/or statute and charged to Statement of Profit and Loss.

Defined Benefit Plans:

Company's liability towards Gratuity is actuarially determined at each Balance Sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the statement of profit & 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 at each Balance Sheet date based on development during the year and to reassess realisation/liabilities.

K) Impairment of Assets:

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

L) Provisions, Contingent Liabilities & Contingent Assets :

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

M) Government Grants :

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

N) Borrowing Costs :

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

- 25 The Company has closed down its operation at its units at Dodaballapur, Bangalore with effect from 01-04-2013 and is in the process of disposing off the assets thereof.
- 26 In view of unfavourable market conditions and poor working results, company has approached its lending banks for restructuring of its debts which interalia will result in deferment of overdue interest and principle of the above debts which is under their active consideration.
- 27 The company has regrouped and rearranged previous year figures to confirm the corresponding figures of this year.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No.: 56485)

ICAI Reg. No. 302111E

Place : Kolkata

Dated: 18th day of May, 2013

S. L. Agrawal

Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — *Executive Chairman*

Rajiv Jhunjunwala — *Vice Chairman*

A. B. Chaturvedi — *Director*

Consolidated Cash Flow Statement for the year ended 31st March 2013

	For the year ended 31st March 2013	For the year ended 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(880.93)	(1,460.77)
Adjustment for:		
Depreciation	459.85	528.68
Interest Received	(12.37)	(9.16)
Interest Paid	474.12	569.78
(Profit)/Loss On Sale of Investments	1.66	4.93
(Profit)/Loss On Sale Of Fixed Asset	(881.46)	1.24
Provision for fall in Value of Current Investment		(4.88)
Dividend Received		(0.77)
Operating Profit before Working Capital Changes	(839.13)	(370.95)
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	(39.44)	123.14
Increase/(Decrease) in Other Current Liabilities	(205.65)	30.95
Decrease/(Increase) in Trade Receivables	204.55	177.89
Decrease/(Increase) in Inventories	635.49	634.16
Decrease/(Increase) in Long - Term Loans and Advances	53.78	(17.65)
Decrease/(Increase) in Short - Term Loans and Advances	185.58	(191.93)
Decrease/(Increase) in Other Current Assets	(37.57)	3.32
Cash generated from operations/(used in) Operations	(42.39)	388.93
Direct Taxes Paid (Net)	(7.58)	(9.45)
Net Cash from Operating Activities	(49.97)	379.48
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets (Including Capital work in Progress)	(32.17)	(86.57)
Sale Of Fixed Assets (Including advance taken for Sale - Net)	917.79	200.62
Loan Given (-)/ Refund received (+)	-	-
Effect of Exchange rate change on Consolidation	2.28	2.15
Purchase of Investments (Including Share Application Money)	-	(200.00)
Sale of Investments	65.44	160.60
Interest Received	8.39	25.35
Dividend Received		0.77
Net Cash from Investing Activities	961.73	102.92

Consolidated Cash Flow Statement for the year ended 31st March 2013 (Contd.)

	For the year ended 31st March 2013	For the year ended 31st March 2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from Long term Borrowings	(522.09)	-
Proceeds/(Repayment) from Short term Borrowings	92.43	(181.14)
Interest paid	(476.01)	(453.57)
Dividend Paid (Unclaimed)	(2.28)	(1.79)
Net Cash from Financing Activities	<u>(907.95)</u>	<u>(636.50)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	3.81	(154.10)
Cash and Cash Equivalents At The Beginning Of The year	291.67	432.06
Cash and Cash Equivalents At The End Of The year	<u>295.48</u>	<u>277.96</u>
 Components of Cash & Cash Equivalents		
Balances with Banks		
- In Current Account	19.73	103.21
- In Foreign Currency Account	32.37	24.29
- In Fixed Deposit Account	5.26	5.09
- In Margin Deposit Account	89.24	95.88
- In Unpaid Dividend Account	2.85	5.14
Cash On Hand	<u>146.03</u>	<u>58.06</u>
	<u>295.48</u>	<u>291.67</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 Companies (Accounting Standards) Rules, 2006.
- Cash & Cash Equivalents as of March 31, 2013 and March 31, 2012 include restricted Cash & Bank balances. The restrictions are primarily on account of cash & bank balances held as margin money deposits against guarantees and Unclaimed dividends.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

Anand Prakash

Partner

(Membership No.: 56485)

ICAI Reg. No. 302111E

Place : Kolkata

Dated: 18th day of May, 2013

S. L. Agrawal
Company Secretary

For and on Behalf of the Board

S. N. Jhunjunwala — Executive Chairman

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director

Date : 18.05.2013

To
The Members

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

We refer to our communication of 14th June, 2011 as part of our 2010-11 Annual Report requesting the members holding shares in electronic form to update their email id with their Depository Participant in case the same was not already intimated and to the members holding shares in physical form to intimate the same to the Registrar and Share Transfer agents of the Company, to enable the Company to effect electronic delivery of documents including the Annual Report, other notices of meetings/postal ballot etc. It is regretted that the same is still pending in respect of many members.

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

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

Co-operation from all the members is solicited.

Thanking you.

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

S. L. Agrawal
Company Secretary

J. J. Exporters Ltd.

**ATTENDANCE
SLIP**

Registered Office :

23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019

**40th Annual General Meeting - Wednesday, 14th August, 2013
at 4.00 P.M. at Kalakunj Hall, 48, Shakespeare Sarani, Kolkata - 700 017**

DP Id. *

Client Id. *

Reg. Folio No.

<p>A. Name & Address of the Registered Shareholders</p> <p>B. Name & Address of the Proxy (wherever applicable)</p>
--

* Applicable if shares are held in electronic form.

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

I hereby record my presence at the 40th Annual General Meeting of the Company at Kalakunj Hall, 48, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, 14th August, 2013.

Member's / Proxy's Signature

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

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

J. J. Exporters Ltd.

FORM OF PROXY

Registered Office :

23C, Ashutosh Chowdhury Avenue, Kolkata - 700 019

I/We

of.....being a member/members

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

him/her of

as my/our proxy to attend and vote for me/us on my/our behalf at the 40th Annual General Meeting of the Company to be held on Wednesday, 14th August, 2013 at 4:00 P.M. and at any adjournment thereon.

Signed this day of2013.

DP Id. *

Client Id. *

Reg. Folio No.

Signature

Affix a 1/- Revenue Stamp
--

* Applicable if shares are held in electronic form.

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