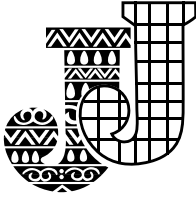




Annual Report
2016-2017

JJ Exporters Limited





BOARD OF DIRECTORS

Mr. S. N. Jhunjhunwala
Executive Chairman

Mr. Rajiv Jhunjhunwala
Vice-Chairman

Mr. A. B. Chaturvedi
Director

Mr. H. S. Senapati
Independent Director

Mr. Rahul Singh
Independent Director

Ms. Dipali Sharma
Independent Director

BANKERS
Indian Overseas Bank
IDBI Bank Ltd.

AUDITORS

1. **Statutory**
Salarpuria Jajodia & Co.
Chartered Accountants
7, Chittaranjan Avenue
Kolkata - 700 072

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

REGISTERED OFFICE

Mukhtar Tower, 2nd Floor
59, Elliot Road
Kolkata - 700 016, West Bengal
Phone : (033) 2265 4776/4071 3125

REGISTRAR & SHARE TRANSFER AGENT

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

BHAGALPUR OFFICE / WORKS

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

BANGALORE OFFICE / WORKS

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

J. J. SPECTRUM SILK

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

**ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH, 2017**

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty Fourth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2017

FINANCIAL RESULTS

	2016-17	2015-16
Profit before Tax, Depreciation and Extra Ordinary Items	(1065.70)	(1436.00)
Less : Depreciation	283.39	332.53
Profit/(Loss) before Tax and extra ordinary items	(1349.09)	(1768.57)
Less : I.T. for earlier year	–	6.27
Less : Prior Period Items	0.48	0.91
Profit/(Loss) before Extra Ordinary Items	(1349.57)	(1775.71)
Extra Ordinary Items	–	–
Profit/(Loss) after Tax	(1349.57)	(1775.71)
Transfer from General Reserve	–	–
Add : Balance brought forward from Previous year	(3250.61)	(1474.90)
Balance in Profit & Loss Account	(4600.18)	(3250.61)

(₹ in Lacs)

BUSINESS AND PERFORMANCE

The performance of the Company during the year under review is no better than previous year. The sales revenue was down at Rs. 693.83 lacs as compared to Rs. 1376.79 lacs during the previous year. The loss before extra ordinary item was at Rs.1349.57 lacs as compared to Rs. 1775.71 lacs in the previous year. The main reason for the poor performance was due to permanent closure of Company's main unit, J. J. Spectrum Silk during the year owing to uneconomic operation.

CURRENT YEAR'S OUTLOOK

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

In order to improve the working of the company and generate more business your directors have strengthened the design department, for the existing core business of silk along with linen and polyester fabrics. It has also been decided to revive contacts with our old customers. Your directors continue to control expenditure.

REFERENCE TO BIFR

The financial performance of the Company has continued to suffer set back since last five years mainly due to drastic drop in demand of silk fabrics and made ups across the globe resulting in the complete erosion of net worth of the Company. In view of the above, the Company had filed an application to BIFR for rehabilitation on 16.11.2016.

SETTLEMENT OF DUES OF THE BANKS

Your company was unable to make any further payment under OTS. Your Directors were able to find a buyer for the plant and machinery at Gangarampur but it took such a long time to get the approval of the banks that the buyer backed out. Similarly, your Directors found a buyer for the Bangalore property but did not receive the approval of the banks.

IDBI on their own behalf and on behalf of Indian Overseas Bank (IOB) have taken possession of the plants both at Gangarampur and at Dodaballapur, Bangalore.

SHARE CAPITAL

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

DIRECTORS

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

Ms. Shruti Murarka, has been appointed as Company Secretary and Compliance Officer of the Company during the year w.e.f. 10.02.2017.

Mr. S. N. Jhunjhunwala, Director, who retire by rotation and being eligible have offered himself for re-appointment at the ensuing Annual General Meeting.

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

POLICIES

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

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

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

In compliance with Regulation 30(1) of the SEBI (Listing obligations & Disclosure Requirements) Regulation 2015, the Company has framed a Archival Policy for disclosures of any events or information which in the opinion of the Board of Directors of listed Company is to be disclosed to Stock Exchange(s) under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years as per the Archival Policy. Details of the policy are available on Company's website, www.jjexporters.com

BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors and complies with the requirements of the Companies Act, 2013. The Board of Directors of the Company as at 31st March, 2017 consisted of two Promoter Executive Directors, three Non- Promoter Non-Executive Directors and one Non Promoter - Executive Director.

During the year under review, 4(four) Board Meetings were held on 18.05.2016, 11.08.2016, 09.11.2016 & 10.02.2017.

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

Name	Category	No. of other Directorships held (other than Private Companies)	Committee positions held (other than JJEL)		No. of Board Meetings attended during the year	Whether attended last AGM on 29.09.2016
			As Chairman	As Member		
Mr. S. N. Jhunjhunwala	Promoter, Executive	1	None	None	4	Yes
Mr. Rajiv Jhunjhunwala	Promoter, Executive	None	None	None	3	Yes
Mr. A. B. Chaturvedi *	Non Promoter-Executive Director	None	None	None	4	Yes
Mr. H. S. Senapati	Non-Executive Independent	None	None	None	4	Yes
Mr. Rahul Singhi	Non-Executive Independent	None	None	None	3	Yes
Ms. Dipali Sharma	Non-Executive Independent	None	None	None	3	No
Ms. Puja Jhunjhunwala**	Non-Executive Independent	None	None	None	–	No

* Tendered resignation

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

AUDIT COMMITTEE

The Audit Committee of the Board comprised of three Independent Non-Executive Directors i.e. Mr. Rahul Singhi, Mr. H. S. Senapati, and Ms. Dipali Sharma. Consequent upon resignation of Ms. Puja Jhunjhunwala w.e.f. 18.05.2016, she also ceased to be a member of the Committee. Mr. Rahul Singhi is the Chairman of the Committee. The committee met four times during the year under review on 18.05.2016, 11.08.2016, 09.11.2016 & 10.02.2017. The attendance of the members at these meetings was as follows :

Sl. No.	Name of the Members	Status	No. of Meetings attended
1.	Mr. Rahul Singhi	Chairman, Independent Non-Executive	3
2.	Mr. H. S. Senapati	Member, Independent Non-Executive	4
3.	Ms. Dipali Sharma	Member, Independent Non-Executive	3
4.	Ms. Puja Jhunjhunwala	Member, Independent Non-Executive	–

VIGIL MECHANISM AND WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

The Company has not received any complaint on sexual harassment during the year 2016-17.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

SECRETARIAL AUDIT REPORT

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

RISK MANAGEMENT POLICY

In compliance of the requirements of Companies Act, 2013 and clause 49 of the listing agreement, the Company had constituted a Risk Management Committee. The Committee comprises of two Promoter Executive Directors, Mr. S. N. Jhunjhunwala and Mr. Rajiv Jhunjhunwala and one Non-promoter Executive Director Mr. A. B Chaturvedi. Mr. S. N. Jhunjhunwala is the Chairman of the Committee. The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. The procedure is periodically reviewed to ensure that executive management controls risk through means of properly defined frame work. The Company has also adopted a Risk Management Policy in the meeting of the Board of Directors held on 31st January 2006, the brief gist of which is as follows :

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

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

EXTRACT OF THE ANNUAL RETURN

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

NOMINATION AND REMUNERATION COMMITTEE

The Company had formed a Nomination and Remuneration Committee during 2015-16. The Committee identifies and recommends suitable candidates as Members of Board, Key managerial personnel and other Senior Management. The remuneration policy of the Company aims to ensure fair remuneration for the employees based on their performance. It also ensures to eliminate discrimination while fixing the remuneration of various employees. No meeting was held during the year under review. The Nomination and Remuneration Committee of the Board comprised of two Independent Non-Executive Directors i.e. Mr. Rahul Singhi, Chairman and Mr. H. S. Senapati, Member.

OVERSEAS SUBSIDIARIES AND JOINT VENTURE

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

RETAIL SHOWROOM

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

DIVIDEND

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;

- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

AUDITORS

The term of M/s. Salarpuria Jajodia & Co., Chartered Accountants, Kolkata, Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. The provision regarding rotation of auditors as prescribed under Companies Act, 2013 are applicable to the Company, it is hence proposed to appoint M/s. Lihala & Co., Chartered Accountants, Kolkata (Firm ICAI Registration No. 315052E) as the Statutory Auditors to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of Forty ninth Annual General Meeting. They have confirmed their eligibility and willingness for appointment as Statutory Auditors for the aforesaid period as per Section 141 of the Companies Act, 2013. The Audit Committee and the Board of Directors recommends their appointment to the members.

The board placed on record its appreciation for the services rendered by M/s. Salarpuria Jajodia & Co., Chartered Accountants, Kolkata as Statutory Auditors of the Company for a long time.

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

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

A) Conservation of energy and technology absorption :

The Company had closed its unit at Bangalore w.e.f. 01.04.2013. The unit at Gangarampur has been closed permanently from 3rd January, 2017.

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

B) Foreign Exchange earnings and outgo :

The information is contained in Item No.12 of Note No.'23' in notes to the accounts.

INVESTMENTS

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

SUBSIDIARY COMPANIES

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

I. Financial Performance

	Spin International (Amount in USD)
Sales	863,950
Cost of goods	670,897
Gross Profit	193,053
Overheads	314,528
Income from operation	(121,475)
Other Income	6,078
Income before tax	(115,397)
Income Tax	1,509
Net Income	(116,906)

II. Financial position as on 31.03.2017

Current liabilities	95,061
Capital	1,000
Reserve & Surplus	569,723
Total Liability	665,784
Current Assets	604,524
Fixed Assets	2,535
Investments	58,725
Total Assets	665,784

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year. No deposits were outstanding at the beginning of the year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

- A) Industry Structure & Developments :** The Company manufactures and exports silk fabrics, garments and made-ups. Silk Fabrics comprise the bulk of Company's product basket which are used for home-furnishings and apparel in developed countries like USA and countries in Europe like France, Germany, UK, Italy, Finland, Russia and also in Japan, Australia, etc. mainly by high-end customers. The Company has closed most of its units during the year including its main unit at Gangarampur in West Bengal.
- B) Opportunities & Threats :** Sale of the Company's product is largely dependent on consumer spending. The Company has a loyal customer base and is able to pass through the recession on the basis of continued support from these customers and timely supply of high quality products. The Company is taking all round measures to minimize cost through infusion of latest technology and cost reduction exercise.
- C) Segment wise Performance :** The Company has only single product namely Textiles.
- D) Outlook :** The outlook of global economy does not appear to be very positive at the moment. More and more countries are coming under the impact of global slow down and economic crisis. The export of textile goods is on decline. Silk is losing consumers preference and is moving out of fashion.
- E) Risk & Concern:** Silk fabrics being a luxury item carry significant risk linked to consumer confidence and spending pattern and availability of other cheaper alternatives.
- Any increase in the price of raw material and the uncertainties in the world economy may have negative impact. However, the Company is making all-round efforts to contain the negative impact through infusion of state of the art technology and cost reduction measures.
- The Company's foreign exchange exposure is mainly in US\$ in which it imports raw materials and exports most of the finished goods. The Company continuously reviews its exposure and takes steps to hedge it. The Company is taking adequate insurance coverage of its assets at various locations.
- F) Internal Control System & Adequacy:** The Company has adequate internal control systems to ensure safeguarding of assets against unauthorized use and to provide that all transactions are authorized, recorded and reported correctly. The Company has a system of periodical Internal Audit.
- G) Discussion on financial performance with respect to operational performance :** The details of the financial performance of the Company are available in the Balance Sheet, Profit & Loss Account and other financial statements appearing separately.
- H) Human Resources :** The industrial relations were by and large cordial during the year. The Gangarampur unit at Kolkata has been closed permanently from 3rd January, 2017. In view of above, the Company had to down size its employee strength at its Head Office. However, the Directors place on record the good contribution made and the co-operation extended by the employees at all levels of the organization.
- There was no employee employed during the financial year or a part of the financial year who was in receipt of remuneration for that year or any part of that year at a rate as prescribed under the Companies Act, 2013, read with the rules made thereunder.
- I) Cautionary Statement :** Certain statements in the Management Discussion and Analysis describing the Company's view about the industry, expectations/ predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those implied therein. Important factors that could make a difference include raw material availability and prices, demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, industrial relations and economic developments within India and in the countries with which the Company conducts its business as well as other incidental factors.

MANAGERIAL REMUNERATION

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

A. Executive Directors

Name of the Director	Remuneration	Ratio
Mr. S. N. Jhunjhunwala	Rs. 739,200	3.43
Mr. Rajiv Jhunjhunwala	Rs. 672,000	3.12
Mr. A. B. Chaturvedi	Rs. 843,640	3.92

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

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

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

*appointed w.e.f. 10.02.2017

i) Percentage increased in the median remuneration of employees during the year : 36.46%

ii) No. of permanent employees on the Roll as on 31.03.2017 : 45 (Forty five)

iii) Market capitalization as on 31.03.2016 Rs. 526.10 lacs
31.03.2017 Rs. 417.73 lacs
Variation Rs. (108.37) lacs

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

v) Percentage increase/decrease in market quotation of the shares of the Company in comparison to the price at which the last public offer was made (93.56)%

vi) Variation in the net worth of the Company as at close of current financial year and previous financial year. Rs. (1349.57 lacs)

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

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

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

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

Ratio 8.43 : 11.18 = 0.75

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

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

ACKNOWLEDGEMENTS

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

By Order of the Board

Registered Office :
59, Elliot Road
Kolkata - 700 016
Dated : 11th August, 2017

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

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

CONSERVATION OF ENERGY

	For the Year Ended	For the Year Ended
	<u>31.03.2017</u>	<u>31.03.2016</u>
A. Power and Fuel Consumption		
1. Electricity		
a) Unit Purchased (KWH)	92281	92291
Total Amount (Rs.)	716,128.90	690,117.00
Rate/Unit (Rs.)	7.76	7.48
b) Own Generation through Diesel Generator		
Units (KWH)	7581.56	7620.00
Units (Litre))	3790.780	3810.00
Unit per litre of Diesel Oil	2.00	2.00
Total Amount (Rs.)	217,490.60	199,928.06
Cost/Unit (Rs.)	28.69	26.24
2. Furnace Oil		
Quantity (KL)	18.742	20.188
Total Amount (Rs.)	1079274.75	1034128.91
Average Rate (Rs.)	57.59	51.22
3. Steam Coal		
Quantity (Kg)	-	-
Total Amount (Rs.)	-	-
Average Rate (Rs.)	-	-
B. Consumption per Mtr of production		
Product : Natural Fabrics		
Electricity (KWH)	2.46	1.46
Furnace Oil (Ltr.)	0.50	0.32
Steam Coal (Kg.)	-	-

- C. 1. Energy Conservation Measures taken :
- (a) Steam leakages in the steam distribution network are monitored on continuous basis for early detection and rectification.
 - (b) Fuel consumption of boiler is monitored and optimised by way of daily and schedule maintenance.
 - (c) Non-essential consumers in the utility/service section are normally kept out of operation during high tariff period, to cut down energy cost.
2. Additional Investments for reduction of power consumption :
- (a) There has not been any specific investment, other than in-house effort towards energy conservation.
3. Impact of the measures taken for reduction of energy consumption and consequent impact on production cost :
- Positive influence on average production cost.

BENEFITS DERIVED AS A RESULT OF RESEARCH & DEVELOPMENT

- A) Specific Areas in which R & D carried by the Company : NIL
 B) Benefits derived as a result of the above R & D : NIL
 C) Future plan of action : NIL
 D) Expenditure on R & D : NIL

TECHNOLOGY ABSORPTION

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

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

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

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

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

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

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

(Rs. in lacs)

	Name of Related Party	Relationship	Nature of Contract	Duration of contract	Salient Terms/ Value	Date of Approval from Board, if, any	Amount paid as advance
i)	Spin International Inc.	Wholly Owned Subsidiary Company	Sale of goods	N.A.	73.20	N.A.	NIL
ii)	Sri S. N. Jhunjunwala	Executive Chairman	Payment of remuneration	5 years	7.39	22.01.2016	N.A.
iii)	Sri Rajiv Jhunjunwala	Executive Vice Chairman	Payment of remuneration	5 years	6.72	22.01.2016	N.A.
iv)	Sri A. B. Chaturvedi	Whole Time Director	Payment of remuneration	5 years	8.44	14.08.2012	N.A.

By Order of the Board

Registered Office :
 59, Elliot Road
 Kolkata - 700 016
 Dated : 11th August, 2017

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

Form No. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

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

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

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

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with **BSE Limited and Calcutta Stock Exchange Limited**.

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

- i. With respect to section 212 of the Companies Act, 1956 a matter is sub judice before the Chief Judicial Magistrate of Alipore Court.
- ii. The appointment of Company Secretary on 10th February, 2017 was made beyond the time limit prescribed under Section 203(4) of the Companies Act, 2013.

We further report that,

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

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

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

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

We further report that during the audit period, the management has decided to close the J J SPECTRUM SILK, a Unit of J J Exporters Ltd. situated at Diamond Harbour Road, Gangarampur, South 24 paraganas permanently and dispose off the plant and machinery and subsequently the land and building to pay off the Banks because it can't be revived and all efforts to revive the Unit have failed after it's temporarily closure from the date 01.12.2013 and intimated to the Stock Exchange via letter dated 01.11.2016.

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

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

For MR & Associates
Company Secretaries

Partner

C P No.:5603

Place : Kolkata

Date : 11th August, 2017

“ANNEXURE – A”

**(TO THE SECRETARIAL AUDIT REPORT OF J J EXPORTERS LTD.
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017)**

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

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

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

For MR & Associates
Company Secretaries

Partner

C P No.:5603

Place : Kolkata
Date : 11th August, 2017

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,883,344	–	1,883,344	20.33	1,883,344	–	1,883,344	20.33	NIL
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2,411,140	–	2,411,140	26.03	2,411,140	–	2,411,140	26.03	NIL
e) Banks / FI									
f) Any other	2,468,379	–	2,468,379	26.65	2,468,379	–	2,468,379	26.65	NIL
Sub-total									
(A)(1):-	6,762,863		6,762,863	73.01	6,762,863		6,762,863	73.01	NIL
(2) Foreign									
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Any other									
Sub-total (A) (2) :	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter									
(A)=(A)(1)+(A)(2)	6,762,863	–	6,762,863	73.01	6,762,863	–	6,762,863	73.01	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	442,046	4,475	44,6521	4.82	445,130	4,475	449,605	4.85	0.03
ii) Overseas	–	3,750	3,750	0.04	–	3,750	3,750	0.04	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,126,751	172,595	1,299,346	14.03	1,130,275	166,235	1,296,510	14.00	(0.03)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	350,042	–	350,042	3.78	350,117	–	350,117	3.78	–
c) Others (specify)									
Non Resident Indians	385,078	14,650	399,728	4.31	384,755	14,650	399,405	4.31	–
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	2,303,917	195,470	2,499,387	26.98	2,310,277	189,110	2,499,387	26.98	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2,303,917	195,470	2,499,387	26.98	2,310,277	189,110	2,499,387	26.98	–
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	9,066,780	195,470	9,262,250	100.00	9,073,140	189,110	9,262,250	100.00	–

B) Shareholding of Promoter-

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

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

No change in shareholding of the Promoters during the year.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	MENTOR CAPITAL LIMITED	3,09,998	3.3469	3,09,998	3.3469
2	DEVINA SARAFF	267,671	2.8899	267,671	2.8899
3	GIRDHARLAL AGRAWAL	2,23,029	2.4079	0	0
	SOLD ON Q.E. 30.09.16	- 2,23,029	2.4079	0	0
4	NEETA UMESH DHARNIDHARKA	0	0	0	0
	PURCHASED Q.E. 30.09.16	+ 2,23,029	2.4079	223,029	2.4079
5	PRERNA SARAFF	106,250	1.1471	106,250	1.1471
6	SANJAY KUMAR CHIMANBHAI MACWAN	85,433	0.9224	0	0
	PURCHASED Q.E. 30.09.16	+75	0	85,508	0.9232
7	SEETHA KUMARI	41,580	0.4489	41,580	0.4489
8	LAXMINARAYAN VYAPAAR P LTD	25,124	0.2713	25,124	0.2713
9	DINESHBHAI CHIMANBHAI SONI	17,993	0.1943	17,993	0.1943
10	NEET NEEL (INDIA) PVT LTD	16,500	0.1781	16,500	0.1781
11	PRIYA RAJENDRAPRASAD TODI	15,000	0.1619	15,000	0.1619

E) Shareholding of Directors and Key Managerial Personnel:

a) Mr. S. N. Jhunjunwala

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

b) Mr. Rajiv Jhunjunwala

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

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

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

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5076.43	-	-	5076.43
ii) Interest due but not paid	655.98	-	-	655.98
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5732.41	-	-	5732.41
Change in Indebtness during the financial year				
ADDITION	452.17	-	-	452.17
REDUCTION	32.20	-	-	32.20
Exchange Difference	-	-	-	-
Net Change	419.97	-	-	419.97
Indebtness at the end of the financial year				
i) Principal amount as on 31.03.2017	5496.39	-	-	5496.39
ii) Interest due but not paid	950.87	-	-	950.87
iii) Interest accrued but not due as on 31.03.2017	-	-	-	-
Total (i+ii+iii)	6447.26	-	-	6447.26

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

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

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. H. S. Senapati	Mr. Rahul Singhi	Ms. Dipali Sharma	
1	Independent Directors				
	Fee for attending board committee meetings	22,500	15,000	17,500	55,000
	Commission				
	Others, please specify				
	Total (1)	22,500	15,000	17,500	55,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	22,500	15,000	17,500	55,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Ms. Shruti Murarka	CEO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	46,587	–	46,587
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of profit others, specify...	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	46,587	–	46,587

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

FORM AOC-1

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1	Name of the Subsidiary	SPIN INTERNATIONAL INC.
2	Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period	Year Ended 31st March, 2017
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiary	Reporting Currency: \$ (U.S. DOLLAR) Exchange Rate on 31.03.2017: 1\$ = ₹ 64.90
4	Share Capital	64,900
5	Reserves and Surplus	34,781,648
6	Total Assets	41,016,007
7	Total Liabilities	6,169,459
8	Investments	NIL
9	Turnover	57,071,662
10	Profit before Taxation	(7,757,386)
11	Provision for Taxation	98,987
12	Profit after Taxation	(7,856,373)
13	Proposed Dividend	NIL
14	% of Shareholding	100

Additional Information:

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

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

11	Provision for Taxation	121,751
12	Profit after Taxation	(1,414,297)
13	Proposed Dividend	NIL
14	% of Shareholding	100

Additional Information:

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

Part "B": Associates and Joint Ventures

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

For and on Behalf of the Board

Rajiv Jhunjunwala — *Vice Chairman*
A. B. Chaturvedi — *Director & CFO*
H. S. Senapati — *Director*
Rahul Singhi — *Director*
Shruti Murarka — *Company Secretary*

INDEPENDENT AUDITORS' REPORT

To the members of
J J EXPORTERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **J J EXPORTERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

Emphasis of Matters

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

Note-2 to the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a Net Loss during current and previous years and the Company's current liabilities exceeded its current assets as at the Balance Sheet date. These conditions, along with other matters set forth in Clause 7 of Note 23, indicate the existence of a material uncertainty that may cast significant doubt about that Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis since the financial and business restructuring has been initiated by the company, which is in progress.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Clause 2 of Note 23** to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN's) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the Management Representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the Management – Refer Clause 20 of Note- 23 to the financial statements.

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

Anand Prakash
Partner

Membership No. 056485

Place : Kolkata
Date: 29th day of May, 2017

ANNEXURE `A' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of J J EXPORTERS LIMITED as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anand Prakash
Partner
Membership No. 056485

Place : Kolkata
Date: 29th day of May, 2017

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

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

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

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

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

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

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

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

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

PARTICULARS	AMOUNT (₹)	Forum where Dispute is Pending
Custom Duty(including penalty of ₹ 4,840,347) (2009-10 to 2012-13)	9,317,667	Commissioner of Central Excise
Service Tax (2006-07)	256,018	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax (2007-08)	327,237	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax (2006-07)	334,000	Commissioner of Central Excise
Service Tax (2007-08)	90,842	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Service Tax (2007-08)	266,676	Commissioner of Central Excise
Service Tax (2008-09 to 2011-12)	283,482	Commissioner of Central Excise
Service Tax (2009-10)	51,920	Commissioner of Central Excise
Service Tax (2006-07 & 2007-08)	695,479	Commissioner of Central Excise
Service Tax (2007-08)	202,497	Honourable High Court of Calcutta
Custom Duty (including Fines and Penalty of ₹ 10,715,000)	24,605,627	Commissioner of Customs

- viii. The loan from Industrial Development Bank of India (IDBI) (including interest thereon) amounting to ₹ 36.03 crores, has already been called back by the bank for repayment. Further the Loan from Indian Overseas Bank (IOB) to the extent of ₹ 28.44 crores (including interest thereon), subject to confirmation, was also called back by the bank for repayment. The above two banks have also served notice under section 13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002. The Company has defaulted in the repayment of the above loans for which negotiation is in process with the above two banks for the one time settlement of the loans.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained and the Company has not raised any money by way of initial public offer or further public offer during the year. Hence comment on utilisation of moneys raised by way of initial public offer or further public offer does not arise.

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

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

Anand Prakash
Partner
Membership No. 056485

Place : Kolkata
Date: 29th day of May, 2017

Standalone Balance Sheet as at 31st March 2017

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Shareholders' Fund			
Share Capital	1	92,622,500	92,622,500
Reserves and Surplus	2	<u>(402,349,476)</u>	<u>(267,392,211)</u>
		(309,726,976)	(174,769,711)
Non-Current Liabilities			
Long Term Borrowings	3 (A)	—	—
Current Liabilities			
Short Term Borrowings	3 (B)	549,639,299	507,642,762
Trade Payables	4		
– Total outstanding dues of micro enterprises and small enterprises		—	—
– Total outstanding dues of creditors other than micro enterprises and small enterprises		2,951,107	11,264,124
Other Current Liabilities	5	99,475,286	74,352,487
Short Term Provisions	6	—	—
		<u>652,065,692</u>	<u>593,259,373</u>
Total		<u>342,338,716</u>	<u>418,489,662</u>
II. ASSETS	Note	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Non Current Assets			
Fixed Assets			
– Tangible Assets	7	279,578,900	306,261,907
– Capital Work In Progress		2,590,374	2,590,374
Non Current Investments	8 (A)	5,920,383	6,937,250
Long Term Loans and Advances	9	993,907	1,424,597
		<u>289,083,564</u>	<u>317,214,128</u>
Current Assets			
Current Investments	8 (B)	7,014,755	12,109,519
Inventories	10	12,485,586	26,454,203
Trade Receivables	11	3,026,879	23,193,528
Cash and Cash Equivalents	12	3,945,272	7,810,225
Short Term Loans and Advances	13	26,002,177	28,379,181
Other Current Assets	14	780,483	3,328,878
		<u>53,255,152</u>	<u>101,275,534</u>
Total		<u>342,338,716</u>	<u>418,489,662</u>
Significant Accounting Policies and Notes to Accounts	23		

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

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Rahul Singhi — Director

Shruti Murarka — Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March 2017

PARTICULARS		Notes	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
I.	Revenue from Operations	15	69,383,124	137,678,838
II.	Other Income	16	1,475,030	30,547,889
III. Total Revenue (I + II)			70,858,154	168,226,727
IV.	Expenses:			
	Cost of Materials Consumed & Other Manufacturing Expenses	17	24,885,225	48,901,863
	Purchase of Traded Goods	18 (B)	15,812,482	43,440,485
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	18(A)	6,986,961	18,795,396
	Employee Benefits Expense	19	22,697,427	33,405,403
	Finance Costs	20	74,717,325	79,990,367
	Depreciation and Amortisation Expense	21	28,339,396	33,253,221
	Other Expenses	22	32,328,298	87,291,517
IV. Total Expenses			205,767,114	345,078,252
V.	Profit/ (Loss) before Prior Period Adjustments, Exceptional Items, Extra-Ordinary Items and Tax (III - IV)		(134,908,960)	(176,851,525)
VI.	Prior Period Adjustments		(48,305)	(91,494)
VII.	Profit/ (Loss) before Exceptional Items, Extra-Ordinary Items and Tax (V - VI)		(134,957,265)	(176,943,019)
VIII.	Exceptional Items		-	-
IX.	Profit/ (Loss) before Extra-Ordinary Items and Tax (VII - VIII)		(134,957,265)	(176,943,019)
X.	Extra-Ordinary Items		-	-
XI.	Profit/ (Loss) Before Tax (IX - X)		(134,957,265)	(176,943,019)
XII.	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
	(3) Adjustment on account of Income Tax for Earlier Years		-	(627,373)
XIII.	Profit/ (Loss) after Tax (XI - XII)		(134,957,265)	(177,570,392)
XIV.	Earnings per Equity Share before Extra Ordinary Items- Basic/ Diluted (Refer Clause 8 of Note 23)		(14.57)	(19.17)
XIV.	Earnings per Equity Share- Basic/ Diluted (Refer Clause 8 of Note 23)		(14.57)	(19.17)
	Significant Accounting Policies and Notes to Accounts	23		

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

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Rahul Singhi — Director

Shruti Murarka — Company Secretary

Standalone Cash Flow Statement for the year ended 31st March 2017

	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax	(134,957,265)	(176,943,019)
Adjustment for:		
Depreciation	28,339,396	33,253,221
Interest Income	(83,965)	(1,301,784)
Interest Expense	74,717,325	79,990,367
(Profit)/ Loss on Sale of Investments (Net)	(1,005,236)	(490,565)
(Profit)/ Loss on sale of Fixed Asset	(115,207)	(27,562,848)
Provision for fall in the value of Non-Current Investment	1,016,867	44,203,837
Dividend Received	-	(143)
Operating Profit before Working Capital Changes	(32,088,085)	(48,850,934)
Movements In Working Capital :		
Increase/ (Decrease) in Trade Payables	(8,313,017)	(3,788,425)
Increase/ (Decrease) in Other Current Liabilities	(4,366,530)	(44,508,572)
Decrease/ (Increase) in Trade Receivables	20,166,649	(5,143,851)
Decrease/ (Increase) in Inventories	13,968,617	29,577,721
Decrease/ (Increase) in Long- Term Loans and Advances	430,690	288,829
Decrease/ (Increase) in Short - Term Loans and Advances	2,411,138	2,313,757
Decrease/ (Increase) in Other Current Assets	1,342,078	9,888,684
Cash Generated from Operations/ (Used in) Operations	(6,448,460)	(60,222,791)
Direct Taxes Paid (Net)	(34,134)	(548,728)
Net Cash from Operating Activities (A)	(6,482,594)	(60,771,519)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets	(2,028,987)	(224,012)
Sale Of Fixed Assets	487,805	47,727,770
Capital Advance for Purchase of Fixed Asset	-	36,000,000
Purchase of Investments	(6,000,000)	(44,331,000)
Sale of Investments	12,100,000	32,734,046
Fixed Deposit held as Margin Money matured	4,095,750	(65,000)
Interest Received	1,290,282	1,008,990
Dividend Received	-	143
Net Cash from Investing Activities (B)	9,944,850	72,850,937

Cash Flow Statement for the year ended 31st March 2017 (Contd.)

	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) from Long Term Borrowings	-	-
Proceeds/ (Repayment) from Short Term Borrowings	(3,220,000)	(37,711,249)
Interest Paid	(11,459)	(1,215,956)
Dividend Paid (Unclaimed)	-	-
Net Cash from Financing Activities (C)	(3,231,459)	(38,927,205)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	230,797	(26,847,787)
Cash and Cash Equivalents at the Beginning of the Year	3,384,322	30,232,109
Cash and Cash Equivalents at the End of the Year	3,615,119	3,384,322
Components of Cash & Cash Equivalents:		
Balances with Banks		
– In Current Account	2,163,357	2,927,805
– In Foreign Currency Account	1,309,628	20
– In Fixed Deposit Account	-	-
Cash on Hand	142,134	456,497
	3,615,119	3,384,322

Note:

- a) Previous year's figures has been regrouped and rearranged wherever necessary.
- b) The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman**A. B. Chaturvedi** — Director & CFO**H. S. Senapati** — Director**Rahul Singhi** — Director**Shruti Murarka** — Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR 2016-17

NOTE : 1 SHARE CAPITAL	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Authorised		
Equity share Capital		
10,000,000 (Previous Year 10,000,000) shares of ₹ 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up		
Equity share Capital		
1,257,500 (previous year 1,257,500) shares of ₹ 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (previous year 42,500) shares of ₹ 10/- each allotted as fully Paid-Up, pursuant to contract without payment being received in cash.	425,000	425,000
5,876,000 (previous year 5,876,000) shares of ₹ 10/- each allotted as fully Paid-Up, Bonus Shares by way of Capitalisation of Reserve.	58,760,000	58,760,000
2,086,250 (previous year 2,086,250) shares of ₹ 10/- each allotted as fully Paid-Up, pursuant to Scheme of Amalgamation.	20,862,500	20,862,500
Total	92,622,500	92,622,500

a. Reconciliation of number of shares and share capital outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2017 ₹	Nos.	As at 31st March 2016 ₹
At the beginning of the year	9,262,250	92,622,500	9,262,250	92,622,500
Issued during the year	-	-	-	-
Outstanding at the end of the year	9,262,250	92,622,500	9,262,250	92,622,500

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

Particulars	Nos.	As at 31st March 2017 ₹	Nos.	As at 31st March 2016 ₹
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	5,876,000	58,760,000	5,876,000	58,760,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,876,000	58,760,000	5,876,000	58,760,000
Equity share allotted as fully paid up pursuant to contracts for consideration other than Cash				
At the beginning of the year	2,128,750	21,287,500	2,128,750	21,287,500
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,128,750	21,287,500	2,128,750	21,287,500

c. Details Of Shareholders holding more than 5% Shares in the Company as at 31st March, 2017

Particulars	Nos.	As at 31st March 2017 % Holding in the Class
Equity Shares Of ₹ 10 Each		
Nupur Carpets Private Limited	2,411,140	26.03
J J Exporters Beneficiary Trust	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	762,604	8.23
Neha Mimani	1,369,844	14.79

d. Details Of Shareholders holding more than 5% Shares in the Company as at 31st March, 2016

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

Note : 2 RESERVES & SURPLUS	As at 31st March 2017 ₹	As at 31st March 2016 ₹
a) Capital Reserve		
Capital subsidy received from WBIDC Pursuant to Scheme of Amalgamation	7,934,000	7,934,000
Addition	1,530,610	1,530,610
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	-	-
Addition	-	-
Deduction: Transfer to Surplus/ (Deficit) of Profit and Loss	-	-
Closing Balance	-	-
d) Surplus/ (Deficit) as per Statement of Profit and Loss		
Opening Balance	(325,060,721)	(147,490,329)
Addition: Transfer from General Reserve	-	-
Deduction	(134,957,265)	(177,570,392)
Closing Balance	(460,017,986)	(325,060,721)
Total	(402,349,476)	(267,392,211)

Note : 3 BORROWINGS	As at 31st March 2017 (₹)				As at 31st March 2016 (₹)			
	Long term Borrowings (A)	Current maturity of long term borrowings (B)	Short term borrowings (B)	Total Borrowings	Long term Borrowings (A)	Current maturity of long term borrowings (B)	Short term borrowings (B)	Total Borrowings
i.) Term Loans								
Secured:-								
- From Bank	-	-	290,466,258	290,466,258	-	-	253,725,480	253,725,480
Funding Interest Term Loan From Banks	-	-	79,834,518	79,834,518	-	-	71,358,759	71,358,759
ii.) Working Capital Loan From Bank								
Secured:-								
- Bill Discounted With Banks-Foreign Currency	-	-	6,762,840	6,762,840	-	-	6,762,840	6,762,840
- Working Capital Term Loan	-	-	91,127,466	91,127,466	-	-	91,127,466	91,127,466
- Cash Credit From Banks	-	-	81,448,217	81,448,217	-	-	84,668,217	84,668,217
Total	-	-	549,639,299	549,639,299	-	-	507,642,762	507,642,762

- a) Working capital facilities with Indian Overseas Bank is secured by first charge on Current Assets of the Company.
- 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 Dodaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- c) Further, Indian Overseas Bank (IOB) has pari passu first charge on Gangarampur movable fixed assets and land and building for Rs. 15.65 crores.
- d) Further, the working capital limits of Indian Overseas Bank is also secured by personal guarantee of two Directors of the company.
- e) The said loan from Indian Overseas Bank are subject to confirmation and reconciliation along with interest accrued and due shown in Note 5
- f) Rupee Term Loan with Industrial Development Bank of India Ltd (IDBI) has been secured as follows:

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

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

The loan from Industrial Development Bank of India (IDBI) (including interest thereon) amounting to ₹ 36.03 crores, has already been called back by the bank for repayment and loan from Indian Overseas Bank (IOB) to the extent of ₹ 28.44 crores (including interest thereon), subject to confirmation, was also called back by the bank for repayment. The above two banks have also served notice under section 13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002. The Company has defaulted in the repayment of the above loans for which negotiation is in process with the above two banks for the settlement of loans (on the basis of One Time Settlement)

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

Note : 4 TRADE PAYABLES	As at 31st March 2017	As at 31st March 2016
	₹	₹
Sundry Creditors for Goods and Services (other than micro, small and medium enterprises)	<u>2,951,107</u>	<u>11,264,124</u>
Total	<u><u>2,951,107</u></u>	<u><u>11,264,124</u></u>

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

Note : 5 OTHER CURRENT LIABILITIES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Interest Accrued & Due on Borrowings (called back for its repayment)	95,086,869	65,597,540
Advance from Customers	1,076,056	1,882,409
Payable for Employee Benefits	1,897,568	3,932,233
Statutory Dues Payable	1,061,883	1,173,448
Other Payables	352,910	275,930
Other Current Liabilities	—	1,490,927
Total	<u>99,475,286</u>	<u>74,352,487</u>

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Other Provision	—	—
Total	<u>—</u>	<u>—</u>

Note : 7 FIXED ASSETS

PARTICULARS	COST			ACCUMULATED DEPRECIATION & AMORTISATION					NET BOOK VALUE	
	01.04.2016 ₹	Addition ₹	Deduction ₹	31.03.2017 ₹	01.04.2016 ₹	Charge for The Year ₹	Deduction/ Adjustment	31.03.2017 ₹	31.03.2017 ₹	31.03.2016 ₹
TANGIBLE ASSETS										
FREE HOLD LAND**	23,359,863	-	-	23,359,863	-	-	-	-	23,359,863	23,359,863
LEASEHOLD LAND*	366,381	-	-	366,381	246,954	12,213	-	259,167	107,214	119,427
BUILDINGS & STRUCTURES**	348,570,329	-	-	348,570,329	167,077,041	14,447,638	-	181,524,679	167,045,650	181,493,288
PLANT & EQUIPMENTS**	671,588,384	8,153	-	671,606,537	582,027,030	10,200,852	-	592,227,882	79,378,655	89,571,354
OFFICE EQUIPMENTS	65,698,646	295,078	-	65,993,724	58,702,129	2,037,121	-	60,739,250	5,254,474	6,996,517
FURNITURE & FIXTURES	21,591,273	-	-	21,591,273	18,279,301	982,221	-	19,261,522	2,329,751	3,311,972
VEHICLES	5,477,929	1,725,756	1,507,924	5,695,761	4,068,443	659,351	1,135,326	3,592,468	2,103,293	1,409,486
T O T A L	1,136,662,805	2,028,987	1,507,924	1,137,183,868	830,400,898	28,339,396	1,135,326	857,604,968	279,578,900	306,261,907
PREVIOUS YEAR	1,173,917,710	224,012	37,478,917	1,136,662,805	814,461,671	33,253,221	17,313,994	830,400,898	306,261,907	

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

**Includes Assets held for Sale as at 31st March 2017.

	Gross Value (₹)	Net Book Value (₹)
Free Hold Land	21,790,223	21,790,223
Buildings & Structures	345,462,996	166,683,601
Plant and Equipments	662,430,101	78,558,986

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value ₹	As at 01.04.16		Additions (cost)		Deductions (cost)		As at 31.03.17	
		No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹
A) NON-CURRENT INVESTMENT									
I) Investment in Equity Instruments									
a) In fully paid up share of subsidiary (Trade) (Unquoted)									
– Spin International Inc.(100%)			40,809						40,809
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
c) Others (Unquoted)									
– OOO J J Home (FC)			6,095,172						6,095,172
Less: Provision for Diminution in Value of Investment			(80,299,009)		(1,016,867)				(81,315,876)
Total (A)			69,37,250		(1,016,867)		0		59,20,383
B) CURRENT INVESTMENT									
I) Investment in Govt. Securities (Non-Trade) (Unquoted)									
– National Savings Certificates			12,000						12,000
II) Investment in Mutual Fund									
– Reliance Growth Fund		6,028	12,097,519	2,798,000	6,000,000	5,534,000	11,094,764	3,292	7,002,755
Total (B)			12,109,519		6,000,000		11,094,764		7,014,755
Grand Total (A + B)			19,046,769		4,983,134		11,094,764		12,935,139

	As at 31st March 2017 Cost ₹	Market Value/NAV ₹	As at 31st March 2016 Cost ₹	Market Value/NAV ₹
Aggregate value of Quoted Investments	81,100,278	5,879,574	81,100,278	6,896,441
Aggregate value of Unquoted Investments	6,147,981	NA	6,147,981	NA
Value of Mutual Funds	7,002,755	7,381,532	12,097,519	12,506,316

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
a) Security Deposits :		
Unsecured, Considered Good :	<u>9,93,907</u>	<u>1,424,597</u>
Total	<u>9,93,907</u>	<u>1,424,597</u>

Note : 10 INVENTORIES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Raw Material	2,182,162	3,783,889
Work in Progress	1,879,331	3,393,945
Finished Goods*	7,752,112	13,224,459
Stores	638,298	5,993,457
Packing Materials	33,683	58,453
Total	<u>12,485,586</u>	<u>26,454,203</u>

*Includes stock in trade ₹ 1,486,427 (Previous year ₹ 2,241,867)

Note : 11 TRADE RECEIVABLES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Outstanding for a Period Exceeding Six Months		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	1,506,703	825,830
c) Unsecured, Considered Doubtful :	20,101,432	20,101,432
Less: Provision for doubtful debts	<u>(20,101,432)</u>	<u>(20,101,432)</u>
	<u>1,506,703</u>	<u>825,830</u>
Others :		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	1,520,176	22,367,698
c) Doubtful :	-	-
	<u>1,520,176</u>	<u>22,367,698</u>
Total	<u>3,026,879</u>	<u>23,193,528</u>

Due from Subsidiary Company Spin International INC ₹ 629,227/- (Previous Year ₹ 5,885,686/-)

Note : 12 CASH & BANK BALANCES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
CASH & CASH EQUIVALENT		
Balances With Banks		
a) In Current Account	2,163,357	2,927,805
b) In Foreign Currency Account	1,309,628	20
	<u>3,472,985</u>	<u>2,927,825</u>
Cash on Hand		
a) Cash on Hand	142,134	189,381
b) Foreign Exchange on Hand	-	267,116
	<u>142,134</u>	<u>456,497</u>
	(A) <u>3,615,119</u>	<u>3,384,322</u>
OTHER BANK BALANCES		
a) In Margin Deposit Account	330,153	4,425,903
	(B) <u>330,153</u>	<u>4,425,903</u>
Total (A + B)	<u><u>3,945,272</u></u>	<u><u>7,810,225</u></u>

Note : 13 SHORT TERM LOANS & ADVANCES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Advance Taxes*	15,851,951	15,817,817
Advances Recoverable in Cash or in Kind		
Considered Good	10,150,226	12,561,364
Total	<u><u>26,002,177</u></u>	<u><u>28,379,181</u></u>

* Advance tax is net off provisions of ₹ 59,605,390 (Previous Year ₹ 59,605,390)

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Interest Accrued	317,351	1,523,668
Duty Drawback Receivable	463,132	1,368,610
Focus Product License in Hand	-	436,600
Total	<u><u>780,483</u></u>	<u><u>3,328,878</u></u>

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Sale Of Products		
EXPORT SALES		
Fabrics	57,777,218	116,011,169
Garments & Made-Ups	642,415	783,443
	<u>58,419,633</u>	<u>116,794,612</u>
	(A)	116,794,612
Local Sales/ Realisation	(B) 6,354,032	10,947,874
Design & Job Charges	(C) –	74,050
	<u>64,773,665</u>	<u>127,816,536</u>
	(A + B + C)	127,816,536
Export Incentives		
Duty Drawback	2,809,412	6,416,233
Focus Product Incentive Scheme	1,721,410	3,322,008
Service Tax Refund Received	78,637	124,061
	<u>4,609,459</u>	<u>9,862,302</u>
Total	<u>69,383,124</u>	<u>137,678,838</u>

Local Sale includes Retail Showroom Sale of ₹1,534,633/- (Previous Year ₹ 2,870,956/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Interest	83,965	1,301,784
Profit/ (Loss) on Sale of Fixed Asset (Net)	115,207	27,562,848
Profit/ (Loss) on Sale of Short Term Investment (Net)	1,005,236	490,565
Provision For Doubtful Debt Written Back	–	470,983
Miscellaneous Receipts & Adjustments (Net)	270,622	333,235
Net Gain/ (Loss) on Foreign Currency Transaction and Translation	–	388,474
Total	<u>1,475,030</u>	<u>30,547,889</u>

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Raw Material Consumed	14,514,697	37,615,582
Stores Consumed	90,374	16,987
Power & Fuel	2,491,792	2,540,276
Stitching, Embroidery & Designing Charges	2,470,324	4,544,351
Adjustment on account of Valuation of Raw material, Stores and Spares	5,208,242	4,065,629
Carriage Inward	109,796	119,038
Total	<u>24,885,225</u>	<u>48,901,863</u>
Raw Material Consumption		
– Fabrics	7,421,255	29,134,338
– Yarn*	6,466,254	7,855,290
– Others	627,188	625,954
	<u>14,514,697</u>	<u>37,615,582</u>

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

Note : 18 (A) (INCREASE)/DECREASE IN INVENTORIES	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Inventories at the End of the Year		
Work in Progress	1,879,331	3,393,945
Finished Goods*	7,752,112	13,224,459
	<u>9,631,443</u>	<u>16,618,404</u>
Inventories at the Beginning of the Year		
Work in Progress	3,393,945	10,263,250
Finished Goods	13,224,459	25,150,550
	<u>16,618,404</u>	<u>35,413,800</u>
(Increase)/ Decrease in Inventories	<u>6,986,961</u>	<u>18,795,396</u>

* Includes Stock in Trade ₹ 1,486,427 (Previous year ₹ 2,241,867)

Note : 18 (B) DETAILS OF PURCHASE OF TRADED GOODS	2016 - 2017	2015 - 2016
Silk Fabric	13,959,991	40,674,219
Cotton Fabric	1,834,011	2,754,081
Others (Handicrafts)	18,480	12,185
Total	<u>15,812,482</u>	<u>43,440,485</u>

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Salary, Wages, Bonus, Gratuity & Allowances	18,277,538	28,667,912
Directors' Remuneration	2,254,840	2,254,840
Contribution to Provident Fund , ESI & Other Funds	1,469,663	1,764,163
Staff Welfare Expenses	695,386	718,488
Total	<u>22,697,427</u>	<u>33,405,403</u>

Note : 20 FINANCE COST	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Interest Expense	74,717,325	79,990,367
Total	<u>74,717,325</u>	<u>79,990,367</u>

Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Depreciation	28,339,396	33,253,221
Total	<u>28,339,396</u>	<u>33,253,221</u>

Note : 22 OTHER EXPENSES	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Rent	2,367,661	2,336,422
Printing & Stationery	334,063	456,087
Postage, Telegram & Telephone	1,021,710	1,163,880
Rates & Taxes	1,218,190	1,181,726
Insurance	439,492	881,454
<u>Travelling Expenses</u>		
– Foreign Travelling	3,967,457	4,874,832
– Inland Travelling	344,547	745,546
Conveyance	378,302	534,001
<u>Payment to Auditors</u>		
– As Auditors	230,000	286,250
– For Certification/ Limited Review	–	48,075
– For Reimbursement of Expenses	6,857	–
Professional Fees	2,817,497	2,027,432
Directors' Meeting Fees	55,000	82,500
Filing Fees	33,093	28,002
Commission & Brokerage	2,306,080	2,910,462
Selling & Distribution Expenses	4,367,496	5,958,459
<u>Repairs & Maintenance</u>		
– to Building	197,223	665,976
– to Machinery	43,649	102,589
– to Others	409,579	727,686
Vehicle Maintenance	1,052,444	809,702
Electricity Expense	801,578	799,278
Trade Fair Expense	1,012,654	1,647,153
Service Charge	420,970	1,100,151
Rebates & Discount	816,518	981,131
Provision for Diminution in Value of investment [Refer Note - 23(3)]	1,016,867	44,203,837
Net (Gain)/ Loss on Foreign Currency Transaction and Translation	1,235,477	–
Bank Charges	933,443	1,081,100
Sundry Balances Written off (Net of Written Back)**	2,876,698	9,861,135
Miscellaneous Expense	1,623,753	1,796,651
Total	32,328,298	87,291,517
 Selling & Distribution Expenses includes-	 2016-2017	 2015-2016
Advertisement	216,990	448,666
Samples (Net) *	3,533,535	4,508,623
Packing Expenses	261,369	360,496
Freight & Delivery Charges	355,602	640,674
	4,367,496	5,958,459
 * Realisation on account of Samples ₹ 327,491 (Previous Year ₹ 662,782) from buyers have been credited to Sample Expenses Account.		
**Sundry Balances Written off (Net of Written Back) includes:	2016-17 (₹)	2015-16 (₹)
Bad Debts	529,123	470,983
Statutory Claims Receivable Written off	2,603,633	1,701,358
Others	35,632	–
TUFS Subsidy	–	9,290,782
Less: Credit Balances Written back	(291,690)	(1,601,988)
	2,876,698	9,861,135

Notes Forming Part of the Standalone Financial Statements

Notes - 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1 Significant Accounting Policies adopted by the Company:

a) Historical Conventions and Revenue Recognition:-

- i) Financial statements are drawn using the historical cost convention and adopting accrual basis save & except, realisation on account of samples which are accounted for on settlement/receipt basis in view of uncertainty of realisation.
- ii) Export sales have been booked on FOB basis on the date of shipment.
- iii) Sale of import/export entitlements received by way of SIL/QUOTA licenses has been booked as on the date of sale thereof. However Duty Draw Back and DEPB entitlement are accounted for on accrual basis on eligible amount of exports made and entitlement of target plus scheme has been accounted on utilisation basis as per the scheme. Focus product credit is booked on the basis of licences received.

b) Plant Property and Equipment:

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the case price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, Excise and Custom duty where CENVAT credit on capital goods is availed.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company has chosen the cost model for recognition and the model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at the cost less any accumulated depreciation and any accumulated impairment losses.

Capital work in progress is stated at cost and such cost includes the cost property, plant and equipment under installation/under development as at the balance sheet date.

c) Depreciation:-

Depreciation is provided on Written Down Value Method as per Schedule II of the Companies Act, 2013, save and except for units J.J.Spectrum Silk and J.J. Exporter Limited- DTA Unit where depreciation has been provided on Straight Line Method as per Schedule II of the Companies Act, 2013. Leasehold land is being depreciated over the period of lease, wherever applicable. Increase/decrease in value of assets arising out of exchange rates fluctuation is charged over the remaining useful life of the assets upto the year 31st March, 2007 and later on, it has been charged to the Statement of Profit and Loss in accordance with the Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates".

d) Valuation of Inventory:-

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

e) Investments:-

Non-current investments are stated at cost. Provisions are being made for diminution in value other than temporary in nature. Current investments categorywise are valued at cost or market price, whichever is lower.

f) Foreign Currency transactions:-

- i) All foreign currency income and expenses are generally recorded at the exchange rate prevailing on the date of transactions/ negotiations with the company's banker save & except where forward contract has been booked which is being recorded at relevant rate. Premium on forward contract are being accounted for during the life of contract.

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

g) Employee benefits:-

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

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

Defined Contribution Plans:

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

Defined Benefit Plans:

Company's liability towards gratuity is actuarially determined at each Balance Sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in Statement of Profit and Loss. The contribution towards Gratuity is funded with LIC.

h) Taxation:-

Income Tax expense comprises of current tax and deferred tax charge or credit. Deferred tax asset or liability is recognised using Substantively Enacted Tax Rates. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and to reassess realisation/liabilities.

i) Impairment of assets :

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

j) Provisions for Contingent Liabilities & Contingent Assets :

Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimate of probable outflows of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes to the accounts. Contingent assets are neither provided for nor disclosed.

k) Government Grants :

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

l) Borrowing Costs :

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

2 Contingent Liabilities not provided for :	31.03.2017	31.03.2016
	₹	₹
a) Letters of Guarantee	65,000	1,440,750
b) Income Tax pending in appeals*	94,162,266	94,162,266
c) Sales tax claim under Appeal (For this, management expects no liability)**	2,795,656	3,013,194
d) Excise & Custom Duty and Service tax Demand (includes ₹1,55,55,347 (previous year ₹ 48,40,347) of fines and penalty on Custom Duty)***	36,431,445	12,234,334

*	Assessment Year	Amount 31.03.2017 (₹)	Amount 31.03.2016 (₹)
	1998-1999	79,799	79,799
	2003-2004	1,63,157	163,157
	2005-2006	5,251,177	5,251,177
	2008-2009	45,868,423	45,868,423
	2009-2010	42,406,650	42,406,650
	2010-2011	327,520	327,520
	2011-2012	61,590	61,590
	2012-2013	3,950	3,950

**	Assessment Year	Amount 31.03.2017 (₹)	Amount 31.03.2016 (₹)
	2008-09	115,154	115,154
	2009-10	104,171	104,171
	2010-11	2,576,331	2,576,331
	2011-12	–	217,538

***	Particulars	Amount 31.03.2017 (₹)	Amount 31.03.2016 (₹)
	Custom Duty(including penalty of ₹ 4,840,347) (2009-10 to 2012-13)	9,317,667	9,317,667
	Service Tax (2006-07)	256,018	256,018
	Service Tax (2007-08)	327,237	327,237
	Service Tax (2007-08)	–	59,980
	Service Tax (2006-07)	334,000	334,000
	Service Tax (2007-08)	90,842	90,842
	Service tax on commission	–	348,536
	Service Tax (2007-08)	266,676	266,676
	Service Tax (2008-09 to 2011-12)	283,482	283,482
	Service Tax (2009-10)	51,920	51,920
	Service Tax (2006-07 & 2007-08)	695,479	695,479
	Service Tax (2007-08)	202,497	202,497
	Custom Duty (including Fines and Penalty of ₹ 10,715,000)	24,605,627	–

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

The above shares have been valued at cost. The said shares, being long term in nature, no provision for diminution in value has been done in earlier years. However, as per prudence and in view of the Financial Position, the company has made a provision of ₹ 3,00,00,000/- towards diminution in the year 2013-14 and ₹ 4,42,03,837/- towards diminution in the year 2015-16 and a further provision of ₹10,16,867 towards diminution in the year 2016-17 which, according to the management, is appropriate.

- 4 In the opinion of Board of Directors, all the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
- 5 As the company's business activities falls mainly within a single primary business segment viz. Dealing in Textile Goods, so disclosure requirement of Accounting Standard 17 " Segment Reporting ", notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 has not been given.
- 6 **Related Party Disclosure in accordance with Accounting Standard 18 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.**

a) Where common control exist	Relationship
i) Spin International Inc.	Wholly Owned Foreign Subsidiary Company
ii) Nupur Carpets Private Limited	Company Having Substantial Interest
b) Key Managerial Personnel.	
i) Sri S.N.Jhunjunwala	Executive-Chairman
ii) Sri Rajiv Jhunjunwala	Vice-Chairman
iii) Sri A.B.Chaturvedi	Whole Time Director
c) Relative of Key Managerial Personnel	
i) Mrs. Kavita Jhunjunwala, Executive	Wife of Mr. Rajiv Jhunjunwala, Vice-Chairman
ii) Mrs.Neha Mimani	Daughter of Mr. Rajiv Jhunjunwala, Vice-Chairman

Nature of Transaction	Related parties referred under (a) above		Related parties referred under (b) and (c) above	
	31.03.2017 (₹)	31.03.2016 (₹)	31.03.2017 (₹)	31.03.2016 (₹)
i) Sale of goods	7,320,326	16,425,719	-	-
ii) Remuneration paid	-	-	2,554,840	2,602,840
iii) Receivable (Including Freight & Insurance)	629,227	5,885,686	-	-
iv) Advance Received	-	-	-	-
v) Advance Refunded	-	7,743,924	-	-
vi) Balance of Advance Received	-	-	-	-
vii) Sample development & designing charges received	-	-	-	-
viii) Loan taken (Nupur Carpets Private Limited)	-	-	-	-
ix) Loan refunded	-	-	-	-
x) Interest paid	-	-	-	-

7 The Net worth of the Company has fully eroded. The company has initiated business and debt restructuring. In view of the ongoing restructuring, the accounts of the Company have been prepared on going concern basis. The Company has applied for registration with BIFR during the year.

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

	31.03.2017 ₹	31.03.2016 ₹
i) Net profit/(loss) after tax available for equity shareholders	(134,957,265)	(177,570,392)
ii) Weighted Average Number of Equity Shares of ₹ 10/- each outstanding during the year.	9,262,250	9,262,250
iii) Basic/ Diluted Earning per Share(i/ii)	(14.57)	(19.17)

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

10

Imports & Consumption (in INR)	Stores 31st March ₹		Raw Materials 31st March ₹	
	2017	2016	2017	2016
a) Imports (C.I.F. Value)	NIL	NIL	NIL	NIL
b) Consumption				
i) Imported	0	0	-	21,560
Percentage of Total	0.00%	0.00%	0.00%	0.07%
ii) Indigenous	90,374	16,987	14,514,697	30,489,136
Percentage of Total	100.00%	100.00%	100.00%	99.93%

11 Wholetime Director's Remuneration :

	31.03.2017 ₹	31.03.2016 ₹
a) Salaries & Bonus	1,932,000	1,932,000
b) Contribution to P.F. and other funds	231,840	231,840
c) Other perquisites	91,000	91,000
	<u>2,254,840</u>	<u>2,254,840</u>

12 Foreign Currency income & expenditure :

	31.03.2017 ₹	31.03.2016 ₹
Income :		
i) Export of goods (F.O.B. Basis) (net after adjustment of Sales returns)	58,419,633	116,794,612
ii) Sample & development Cost Received	296,841	654,029
iii) Sundry balances written back (net)	38,497	365,830

	31.03.2017 ₹	31.03.2016 ₹
Expenditure :		
i) Commission	2,288,832	2,905,319
ii) Travelling	2,226,755	2,905,106
iii) Foreign Trade Fare	1,012,653	1,647,153
iv) Designing Charges	234,238	391,562
v) Rebates & discounts	816,518	997,668

- 13 Land measuring about 2.07 acre duly conveyed in the name of one of the unit of the company by the State Government has been disputed by the original owner and the matter is subjudice.
- 14 In Respect Of 100% Export Oriented Units and as per the prevailing laws and guidelines, it is exempted from Customs and Central Excise Duties and levies. The Company has executed legal undertaking to pay the customs and central excise duties and liquidated damages, if any, in respect of capital goods, raw material, stores etc. procured duty free in the event of non-fulfillment of terms and conditions.
- 15 Loans and advances include ₹ 15,408/- (Previous Year amounting to ₹ 8,269/-) balance lying with Central Excise department
- 16 There is no amount to be credited to Investors Education & Protection Fund as on 31st March 2017.
- 17 The Disclosure required under Accounting Standard 15 " Employee Benefits " notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 are given below:

A DEFINED CONTRIBUTION PLANS

B DEFINED BENEFIT PLANS

GRATUITY PLAN

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

	2016-17 Total (₹)	2015-16 Total (₹)
1) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of obligation as at beginning of the year	9,947,982	15,837,926
Interest cost	497,209	1,034,263
Current service cost	213,142	730,311
Benefits Paid	(6,471,499)	(9,736,621)
Actuarial (Gain) /Loss on obligations	(875,904)	2,082,103
Present value of obligation as at end of the year	3,310,930	9,947,982
2) Reconciliation of opening and closing balances of Fair value of Plan Assets		
Fair value of Plan Assets at beginning of the year	7,534,143	14,417,989
Expected return on plan assets	433,066	878,085
Contribution	2,310,859	2,040,551
Benefits Paid	(6,471,499)	(9,736,621)
Actuarial Gain /(Loss) on Plan assets	207,719	(65,861)
Fair value of Plan Assets at end of the year	4,014,288	7,534,143

	2015-16 Total (₹)	2014-15 Total (₹)
3) Reconciliation of Fair value of assets and obligations		
Actuarial Gain /(loss) for the year- obligations	875,904	(2,082,103)
Actuarial Gain /(loss) for the year-plan assets	207,719	(65,861)
Total Gain /(loss) for the year	1,083,623	(2,147,964)
Actuarial Gain /(loss) recognised in the year	1,083,623	(2,147,964)
4) Amount recognised in balance sheet		
Present value of defined benefit obligation	3,310,930	9,947,982
Fair value of plan assets	4,014,288	7,534,143
Net assets recognised in balance sheet	703,358	(2,413,839)
5) Expenses recognised during the year in the statement of profit and loss		
Current service cost	213,142	730,311
Interest cost	497,209	1,034,263
Expected return on plan assets	(433,066)	(878,085)
Net Actuarial (gain) /loss recognised in the year	(1,083,623)	2,147,964
Expenses recognised in the Statement of Profit & Loss	(806,338)	3,034,453
6) Actuarial assumptions		
Discount Rate (Per annum)	7.50%	8.00%
Expected rate of return on plan assets (Per annum)	7.50%	8.00%
Rate of escalation in salary (Per annum)	6.00%	6.00%

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

- 18 Due to unfavourable market conditions and downturn in silk industry, one of the units at Ganagarampur is no more viable to operate. So the company has declared permanent closure w.e.f. 03.01.2017.
- 19 The Company had closed down the operation in its units at Dodaballapur, Bangalore with effect from 01-04-2013 and had disposed of the assets thereon during 2014-15 except Land and Building.

	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing Cash in hand as on 08.11.2016	141,000	130,727	271,727
(+) Permitted receipts	-	1,169,560	1,169,560
(-) Permitted payments	-	1,163,783	1,163,783
(-) Amount deposited in Banks	141,000	46,202	187,202
Closing Cash in hand as on 30.12.2016	-	90,302	90,302

- 21 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. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Rahul Singhi — Director

Shruti Murarka — Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF J J EXPORTERS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **J J EXPORTERS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated Loss and their consolidated cash flows for the year ended on that date.

Others Matters

- (a) We did not audit the financial statements/ financial information of **SPIN INTERNATIONAL INC.**, a foreign subsidiary, whose financial statements/financial information reflect total assets of ₹ 41,016,007/- as at 31st March, 2017, total revenues of ₹ 57,071,662/- for the year then ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Holding company were disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated financial statements disclose the impact of pending litigations of the consolidated financial position of the Group – **Refer Clause 3 of Note 23** to the consolidated financial statements.
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN's) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the Management Representation we report that the disclosures are in accordance with books of account maintained by the company (as applicable on the Holding Company) and as produced to us by the Management – **Refer Clause 18 of Note- 23** to the financial statements.

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

Anand Prakash
Partner

Membership No. 056485

Place : Kolkata
Date: 29th day of May, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of J J EXPORTERS LIMITED as of 31st March, 2017 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Kolkata
Date: 29th day of May, 2017

Anand Prakash
Partner
Membership No. 056485

Consolidated Balance Sheet as at 31st March 2017

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Shareholders' Fund			
Share Capital	1	92,622,500	92,622,500
Reserves and Surplus	2	<u>(367,541,682)</u>	<u>(224,732,083)</u>
		(274,919,182)	(132,109,583)
Minority Interest		—	—
Non Current Liabilities			
Long Term Borrowings	3 (A)	—	—
		—	—
Current Liabilities			
Short Term Borrowings	3 (B)	549,639,299	507,642,762
Trade Payables	4	—	—
-Total outstanding dues of micro enterprises and small enterprises		—	—
-Total outstanding dues of creditors other than micro enterprises and small enterprises		8,491,339	12,343,014
Other Current Liabilities	5	99,475,286	74,352,487
Short Term Provisions	6	—	—
		<u>657,605,924</u>	<u>594,338,263</u>
Total		<u>382,686,742</u>	<u>462,228,680</u>
		As at 31st March 2017	As at 31st March 2016
II. ASSETS	Note		
Non Current Assets			
Fixed Assets			
Tangible Assets	7	279,745,480	306,523,115
Capital Work In Progress		2,590,374	2,590,374
Non-Current Investments	8 (A)	5,879,575	6,896,441
Long Term Loans and Advances	9	993,907	1,424,597
		<u>289,209,336</u>	<u>317,434,527</u>
Current Assets			
Current Investments	8 (B)	7,014,755	12,109,519
Inventories	10	39,739,290	46,022,487
Trade Receivables	11	7,634,563	26,455,187
Cash and Cash Equivalents	12	8,426,487	24,441,370
Short Term Loans and Advances	13	26,633,070	29,118,107
Other Current Assets	14	4,029,241	6,647,483
		<u>93,477,406</u>	<u>144,794,153</u>
Total		<u>382,686,742</u>	<u>462,228,680</u>
Significant Accounting Policies and Notes to Accounts	23		

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

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Rahul Singhi — Director

Shruti Murarka — Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2017

PARTICULARS	Notes	For the year ended	For the year ended
		31st March 2017	31st March 2016
		₹	₹
I. Revenue from Operations	15	118,735,758	182,327,049
II. Other Income	16	1,873,732	32,417,679
III. Total Revenue (I + II)		120,609,490	214,744,728
IV. Expenses:			
Cost of Materials Consumed & Other Manufacturing Expenses	17	24,885,225	48,901,863
Purchase of Traded Goods	18 (A)	60,050,742	76,013,437
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	18(B)	(698,459)	14,525,791
Employee Benefits Expense	19	31,985,508	41,088,024
Finance Cost	20	74,717,325	79,990,367
Depreciation and Amortisation Expenses	21	28,434,020	33,359,029
Other Expenses	22	43,901,478	99,010,288
IV. Total Expenses		263,275,839	392,888,799
V. Profit/ (Loss) before Prior Period Adjustments, Exceptional Items, Extra-Ordinary Items and Tax (III - IV)		(142,666,349)	(178,144,071)
VI. VI. Prior Period Adjustments		(48,306)	(91,494)
VII. Profit/ (Loss) before Exceptional Items, Extra-ordinary Items and Tax (V - VI)		(142,714,654)	(178,235,565)
VIII. Exceptional Items		—	—
IX. Profit/(Loss) before Extra-Ordinary Items and Tax (VII - VIII)		(142,714,654)	(178,235,565)
X. Extra-Ordinary Items		—	—
XI. Profit/ (Loss) before tax (IX - X)		(142,714,654)	(178,235,565)
XII. Tax Expense:			
(1) Current Tax/ Wealth Tax		(98,987)	(121,751)
(2) Deferred Tax		—	—
(3) Adjustment on account of Income Tax for Earlier Years		—	(627,373)
XIII. Profit/(Loss) after Tax (XI - XII)		(142,813,641)	(178,984,689)
Less: Minority Interest		—	—
XIV. Profit/(Loss) after Tax and Minority Interest		(142,813,641)	(178,984,689)
XV. Earning per Equity Share before Extra Ordinary Items but after Tax - Basic/ Diluted (Refer Clause 9 of Note 23)		(15.42)	(19.32)
XV. Earning per Equity Share - Basic/ Diluted (Refer Clause 9 of Note 23)		(15.42)	(19.32)

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. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman

A. B. Chaturvedi — Director & CFO

H. S. Senapati — Director

Rahul Singhi — Director

Shruti Murarka — Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2017

(Amount in ₹ lacs)

	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax	(1,427.15)	(1,782.36)
Adjustment for:		
Depreciation	284.34	333.59
Interest Income	(0.84)	(13.02)
Interest Expense	747.17	799.90
(Profit)/ Loss On Sale of Investments	(10.05)	(4.91)
(Profit)/ Loss On Sale Of Fixed Asset	(1.15)	(275.63)
Provision for fall in Value of Non- Current Investment	10.17	442.04
Adjustment on Consolidation, Reduction, Disposal etc	-	-
Operating Profit before Working Capital Changes	<u>(397.51)</u>	<u>(500.39)</u>
Movements In Working Capital :		
Increase/(Decrease) in Trade Payables	(38.52)	(52.73)
Increase/(Decrease) in Other Current Liabilities	(43.66)	(293.02)
Decrease/(Increase) in Trade Receivables	188.21	2.24
Decrease/(Increase) in Inventories	62.83	253.08
Decrease/(Increase) in Long- Term Loans and Advances	4.31	2.89
Decrease/(Increase) in Short - Term Loans and Advances	25.19	22.20
Decrease/(Increase) in Other Current Assets	14.12	97.04
Cash Generated from Operations/(Used in) Operations	<u>(185.03)</u>	<u>(468.69)</u>
Direct Taxes Paid (Net)	(1.33)	(6.70)
Net Cash from Operating Activities (A)	<u>(186.36)</u>	<u>(475.39)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets	(20.29)	(3.47)
Sale Of Fixed Assets	4.88	477.28
Capital Advance Given	-	360.00
Effect of Exchange Rate Change on Consolidation	0.04	(0.08)
Purchase of Investments	(60.00)	(443.31)
Sale of Investments	121.00	327.34
Fixed Deposit held as Margin Money matured	40.96	(0.65)
Interest Received	12.90	10.09
Net Cash from Investing Activities (B)	<u>99.49</u>	<u>727.20</u>

Consolidated Cash Flow Statement for the year ended 31st March 2017 (Contd.)

	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	–	–
Proceeds/ (Repayment) from Short Term Borrowings (Net)	(32.20)	(377.11)
Interest Paid	(0.11)	(12.16)
Dividend Paid (Unclaimed)	–	–
Net Cash from Financing Activities (C)	<u>(32.31)</u>	<u>(389.27)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	(119.19)	(137.46)
Cash and Cash Equivalents At The Beginning Of The year	200.16	337.62
Cash and Cash Equivalents At The End Of The year	<u>80.97</u>	<u>200.16</u>
Components of Cash & Cash Equivalents		
Balances With Banks		
– In Current Account	66.45	195.59
– In Foreign Currency Account	13.10	–
– In Fixed Deposit Account	–	–
Cash On Hand	1.42	4.57
	<u>80.97</u>	<u>200.16</u>

Note:

- a) Previous year's figures have been regrouped and rearranged, wherever necessary.
- b) The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

For **SALARPURIA JAJODIA & CO.**

Chartered Accountants

ICAI Reg. No. 302111E

Anand Prakash

Partner

(Membership No. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — Vice Chairman**A. B. Chaturvedi** — Director & CFO**H. S. Senapati** — Director**Rahul Singhi** — Director**Shruti Murarka** — Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2016-17

NOTE : 1 SHARE CAPITAL	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Authorised Shares		
Equity share Capital		
10,000,000 (Previous Year 10,000,000) shares of ₹ 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-Up Shares		
Equity share Capital		
1,257,500 (previous year 1,257,500) shares of ₹ 10/- each fully Paid-Up in Cash	12,575,000	12,575,000
42,500 (previous year 42,500) shares of ₹ 10/- each allotted as fully Paid-Up, pursuant to contract without payment being received in cash.	425,000	425,000
5,876,000 (previous year 5,876,000) shares of ₹ 10/- each allotted as fully Paid-Up, Bonus Shares by way of Capitalisation of Reserve.	58,760,000	58,760,000
2,086,250 (previous year 2,086,250) shares of ₹ 10/- each allotted as fully Paid-Up, pursuant to Scheme of Amalgamation.	20,862,500	20,862,500
Total	92,622,500	92,622,500

a. Reconciliation of number of shares and share capital outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March 2017 ₹	Nos.	As at 31st March 2016 ₹
At the beginning of the period	9,262,250	92,622,500	9,262,250	92,622,500
Issued during the period	—	—	—	—
Outstanding at the end of the period	<u>9,262,250</u>	<u>92,622,500</u>	<u>9,262,250</u>	<u>92,622,500</u>

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

Particulars	Nos.	As at 31st March 2016 ₹	Nos.	As at 31st March 2015 ₹
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	5,876,000	58,760,000	5,876,000	58,760,000
Issued during the year	—	—	—	—
Outstanding at the end of the year	<u>5,876,000</u>	<u>58,760,000</u>	<u>5,876,000</u>	<u>58,760,000</u>
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	<u>2,128,750</u>	<u>21,287,500</u>	<u>2,128,750</u>	<u>21,287,500</u>

c. Details Of Shareholders holding more than 5% Shares in the Company as at 31st March, 2017

Particulars	Nos.	As at 31st March 2017 % Holding in the Class
Equity Shares Of ₹ 10 Each		
Nupur Carpets Private Limited	2,411,140	26.03
J J Exporters Beneficiary Trust	1,303,675	14.08
Akhilesh Jhunjunwala Beneficiary Trust	762,604	8.23
Neha Mirani	1,369,844	14.79

d. Details Of Shareholders holding more than 5% Shares in the Company as at 31st March, 2016

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

Note : 2 RESERVE & SURPLUS	As at 31st March 2017 ₹	As at 31st March 2016 ₹
a) Capital Reserve		
Pursuant to scheme of Amalgamation		
Opening Balance	1,530,610	1,580,077
Deduction	—	(49,467)
Closing Balance	1,530,610	1,530,610
Capital Subsidy Received from WBIDC	7,934,000	7,934,000
Closing Balance	9,464,610	9,464,610
b) Securities Premium Account		
Opening Balance	48,203,900	48,203,900
Addition	—	—
Deduction	—	—
Closing Balance	48,203,900	48,203,900
c) Foreign Currency Reserve on Consolidation		
Opening Balance	7,015	3,330
Addition	4,042	3,685
Deduction	—	—
Closing Balance	11,057	7,015
d) General Reserve		
Opening Balance	—	344,400,000
Addition	—	—
Deduction	—	(344,400,000)
Closing Balance	—	—
e) Surplus/ (Deficit) as per Statement of Profit and Loss		
Opening Balance	(282,407,608)	(103,422,919)
Add: Transfer from General Reserve	—	—
Add: Adjustment on Consolidation for Reduction & Diminution in Investments	—	—
Add: Adjustment on Account of Disposal of Investment in Subsidiary	—	—
Deduction	(142,813,641)	(178,984,689)
Closing Balance	(225,221,249)	(282,407,608)
Total	(367,541,682)	(224,732,083)

Note : 3 BORROWINGS	As at 31st March 2017				As at 31st March 2016			
	(₹)				(₹)			
	Long term Borrowings (A)	Current maturity of long term borrowings (B)	Short term borrowings (B)	Total Borrowings	Long term Borrowings (A)	Current maturity of long term borrowings (B)	Short term borrowings (B)	Total Borrowings
i.) Term Loans								
Secured:-								
- From Bank			290,466,258	290,466,258	-		253,725,480	253,725,480
Funding Interest Term Loan From Banks	-	-	79,834,518	79,834,518	-		71,358,759	71,358,759
ii.) Working Capital Loan From Bank								
Secured:-								
- Bill Discounted With Banks-Foreign Currency			6,762,840	6,762,840			6,762,840	6,762,840
- Working Capital Term Loan			91,127,466	91,127,466			91,127,466	91,127,466
- Cash Credit From Banks			81,448,217	81,448,217			84,668,217	84,668,217
Total	-	-	549,639,299	549,639,299	-	-	507,642,762	507,642,762

- Working capital facilities with Indian Overseas Bank is secured by first charge on Current Assets of the Company.
- As collateral security, Indian Overseas Bank has second pari passu charge on (i) Movable block assets of the company, (ii) Mortgage on Land and Building at Dodaballapur, Bangalore and (iii) Mortgage on Land and Building at Gangarampur, 24 Parganas (S), West Bengal.
- Further, Indian Overseas Bank (IOB) has pari passu first charge on Gangarampur movable Fixed Assets and Land & Building for ₹15.65 crores.
- Further, the working capital limits of Indian Overseas Bank is also secured by personal guarantee of two Directors of the company.
- The said loan from Indian Overseas Bank are subject to confirmation and reconciliation along with interest accrued and due shown in Note 5
- Rupee Term Loan with Industrial Development Bank of India Ltd (IDBI) has been secured as follows:

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

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

The loan from Industrial Development Bank of India (IDBI) (including interest thereon) amounting to ₹36.03 crores, has already been called back by the bank for repayment and loan from Indian Overseas Bank (IOB) to the extent of ₹ 28.44 crores (including interest thereon), subject to confirmation, was also called back by the bank for repayment. The above two banks have also served notice under section 13(2) of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002. The Company has defaulted in the repayment of the above loans for which negotiation is in process with the above two banks for the settlement of loans (on the basis of One Time Settlement).

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

Note : 4 TRADE PAYABLES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Sundry Creditors for Goods and Services (Other than Micro Enterprises & Small Enterprises)	8,491,339	12,343,014
Total	8,491,339	12,343,014

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 2017 ₹	As at 31st March 2016 ₹
Interest Accrued & Due on Borrowings	95,086,869	65,597,540
Current Maturity of Long Term Loans (Refer Note 3)	–	–
Advance from Customers	1,076,056	1,882,409
Payable for Employee Benefits	1,897,568	3,932,233
Other Payables	352,910	275,930
Statutory Liabilities	1,061,883	1,173,448
Other Current Liabilities	–	1,490,927
Total	99,475,286	74,352,487

Note : 6 SHORT TERM PROVISIONS	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Other Provision	–	–
Total	–	–

Note : 7 FIXED ASSETS

PARTICULARS	COST			ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	01.04.2016 ₹	Addition ₹	Deduction ₹	31.03.2017 ₹	01.04.2016 ₹	Charge for the Year ₹	Deduction/ Adjustment	31.03.2017 ₹	31.03.2016 ₹
TANGIBLE ASSETS									
FREE HOLD LAND**	23,359,863	-	-	23,359,863	-	-	-	-	23,359,863
LEASEHOLD LAND	366,381	-	-	366,381	246,954	12,213	-	259,167	119,427
BUILDINGS & STRUCTURES**	348,570,329	-	-	348,570,329	167,077,043	14,447,638	-	181,524,681	181,493,286
LEASEHOLD SHED	539,732	-	-	539,732	539,732	-	-	539,732	-
PLANT & EQUIPMENTS**	671,432,072	8,153	-	671,440,225	581,641,385	10,200,852	-	591,842,237	89,790,687
OFFICE EQUIPMENTS	67,601,294	295,078	-	67,896,372	60,120,332	2,037,121	-	62,157,453	7,480,962
FURNITURE & FIXTURES	22,364,189	-	-	22,364,189	19,500,985	1,076,845	-	20,577,830	2,863,204
VEHICLES	5,497,663	1,725,756	1,507,924	5,715,495	4,081,977	659,351	1,135,326	3,606,002	1,415,686
T O T A L	1,139,731,523	2,028,987	1,507,924	1,140,252,586	833,208,408	28,434,020	1,135,326	860,507,102	306,523,115
PREVIOUS YEAR	1,176,863,710	346,730	37,478,917	1,139,731,523	817,176,953	33,359,029	17,327,574	833,208,408	359,686,757

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

**Includes Assets held for Sale as at 31st March 2017.

	Gross Value (₹)	Net Book Value (₹)
Free Hold Land	21,790,223	21,790,223
Buildings & Structures	345,462,996	166,683,601
Plant and Equipments	662,430,101	78,558,986

Note : 8 INVESTMENT (At cost)

PARTICULARS	Face Value ₹	As at 01.04.16		Additions (cost)		Deductions (cost)		As at 31.03.17	
		No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹
A) NON-CURRENT INVESTMENT									
I) Investment in Equity Instruments									
Others (Quoted)	10								
- J. J. Exporters Ltd. (held by J. J. Exporters Beneficiary Trust as Treasury Share)		1,303,675	81,100,278		-			1,303,675	81,100,278
Less: Provision for Diminution in Value of Investment			(74,203,837)		(1,016,867)				(75,220,704)
Total (A)			6,896,441		(1,016,867)				5,879,575
B) CURRENT INVESTMENT									
I) Investment in Govt. Securities (Others) (Unquoted)									
- National Savings Certificates			12,000		-				12,000
II) Investment in Mutual Fund									
- Reliance Growth Fund		6,028	12,097,519	2,798	6,000,000	5,534	11,094,764	3,292	7,002,755
Total (B)			12,109,519		6,000,000		11,094,764		7,014,755
Total (A + B)			19,005,960		4,983,134		11,094,764		12,894,330
Total			19,005,960						12,894,330

	As at 31st March 2017 Cost ₹	Market Value/NAV ₹	As at 31st March 2016 Cost ₹	Market Value/NAV ₹
Aggregate value of Quoted Investments	81,100,278	5,879,574	81,100,278	6,896,441
Aggregate value of Unquoted Investments	12,000	NA	12,000	NA
Value of Mutual Funds	7,002,755	7,381,532	12,097,519	12,506,316

Note : 9 LONG TERM LOANS AND ADVANCES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
a) Security Deposits :		
Unsecured, Considered Good :	993,907	1,424,597
Total	<u>993,907</u>	<u>1,424,597</u>

Note : 10 INVENTORIES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Raw Material	2,182,162	3,783,889
Work In Progress	1,879,331	3,393,945
Finished Goods*	7,752,112	13,224,479
Stores	638,298	5,993,457
Stock In Trade	27,253,704	19,568,264
Packing Materials	33,683	58,453
Total	<u>39,739,290</u>	<u>46,022,487</u>

* Includes stock in trade ₹1,486,427 (Previous year ₹ 2,241,867)

Note : 11 TRADE RECEIVABLES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Outstanding for a Period exceeding Six Months		
a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	1,506,703	825,830
	<u>1,506,703</u>	<u>825,830</u>
Others :		
a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	6,127,860	25,629,357
	<u>6,127,860</u>	<u>25,629,357</u>
Total	<u>7,634,563</u>	<u>26,455,187</u>

Note : 12 CASH & CASH EQUIVALENT	As at 31st March 2017 ₹	As at 31st March 2016 ₹
CASH & CASH EQUIVALENT		
Balances With Banks		
a) In Current Account	6,644,572	19,558,950
b) In Foreign Currency Account	1,309,628	20
c) In Fixed Deposit Account	-	-
	<u>7,954,200</u>	<u>19,558,970</u>
Cash on Hand		
a) Cash on Hand	142,134	189,381
b) Foreign Exchange on Hand	-	267,116
	<u>142,134</u>	<u>456,497</u>
	(A) <u>8,096,334</u>	<u>20,015,467</u>
OTHER BANK BALANCES		
a) In Margin Deposit Account	330,153	4,425,903
	(B) <u>330,153</u>	<u>4,425,903</u>
Total (A + B)	<u>8,426,487</u>	<u>24,441,370</u>

Note : 13 SHORT TERM LOANS & ADVANCES	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Advance Tax*	15,851,951	15,817,817
Advances recoverable in Cash or in kind		
Considered Good	10,781,119	13,300,290
Considered Doubtful	-	-
Less:		
Provision for Doubtful Advance	-	-
Total	<u>26,633,070</u>	<u>29,118,107</u>

* Advance tax is net off provisions of ₹ 59,605,390 (Previous Year ₹ 59,605,390)

Note : 14 OTHER CURRENT ASSETS	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Interest Accrued	317,351	1,523,668
Duty Draw back Receivable	463,132	1,368,610
Focus Product License In hand	-	436,600
Hotel Facility in Hand (Hotel Hilton)	3,248,758	3,318,605
Total	<u>4,029,241</u>	<u>6,647,483</u>

Note : 15 REVENUE FROM OPERATIONS	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Sale Of Products		
SALES		
Fabrics	107,129,852	160,659,380
Garments & Made-Ups	642,415	783,443
	(A)	161,442,823
Local Sales/ Realisation	(B)	10,947,874
Design & Job Charges	(C)	74,050
	(A + B + C)	172,464,747
Export Incentives		
Duty Drawback	2,809,412	6,416,233
Focus Product Incentive Scheme	1,721,410	3,322,008
Service Tax Refund Received	78,637	124,061
	4,609,459	9,862,302
Total	118,735,758	182,327,049

Local Sale includes Retail Showroom Sale of ₹1,534,633/- (Previous Year ₹ 2,870,956/-)

Note : 16 OTHER INCOME	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Interest	83,965	1,301,784
Profit/ (Loss) on Sale of Fixed Asset (Net)	115,207	27,562,848
Profit/ (Loss) on Sale of Short Term Investment (Net)	1,005,236	490,565
Provision For Doubtful Debt Written Back	-	470,983
Net Gain/(Loss) on Foreign Currency transaction and translation	-	1,875,222
Miscellaneous Receipts & Adjustments (Net)	669,324	716,277
Total	1,873,732	32,417,679

Note : 17 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
Raw Material Consumed	14,514,697	37,615,582
Stores Consumed	90,374	16,987
Power & Fuel	2,491,792	2,540,276
Stitching, Embroidery & Designing Charges	2,470,324	4,544,351
Adjustment on account of Valuation of Raw material, Stores and Spares	5,208,242	4,065,629
Carriage Inward	109,796	119,038
Total	24,885,225	48,901,863
Raw Material Consumption		
- Fabrics	7,421,255	29,134,333
- Yarn*	6,466,254	7,855,290
- Others	627,188	625,959
	14,514,697	37,615,582

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

Note : 18 (A) PURCHASE OF TRADED GOODS	2016 - 2017	2015 - 2016
Silk Fabric	58,198,251	73,247,171
Cotton Fabric	1,834,011	2,754,081
Others (Handicrafts & Showroom)	18,480	12,185
Total	60,050,742	76,013,437

Note : 18 (B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Inventories at the End of the Year		
Work in Progress	1,879,331	3,393,945
Finished Goods*	7,752,112	13,224,459
Stock in Trade	27,253,704	19,568,284
	<u>36,885,147</u>	<u>36,186,688</u>
Inventories at the Beginning of the Year		
Work in Progress	3,393,945	10,263,250
Finished Goods	13,224,459	25,150,551
Stock in Trade	19,568,284	15,298,678
	<u>36,186,688</u>	<u>50,712,479</u>
	<u>(698,459)</u>	<u>14,525,791</u>
(Increase)/ Decrease in Inventories		

* Includes Stock in Trade ₹ 1,486,427 (Previous year ₹ 2,241,867)

Note : 19 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Salary, Wages, Bonus, Gratuity & Allowances	27,565,619	36,350,533
Director's Remuneration	2,254,840	2,254,840
Contribution to Provident Fund , ESI & Other Fund	1,469,663	1,764,163
Staff Welfare Expenses	695,386	718,488
Total	31,985,508	41,088,024

Note : 20 FINANCE COST	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Interest Expense	74,717,325	79,990,367
Total	74,717,325	79,990,367

Note : 21 DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Depreciation	28,434,021	33,359,029
Total	28,434,021	33,359,029

Note : 22 OTHER EXPENSES	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
Rent	6,234,568	5,958,271
Printing & Stationery	334,063	456,087
Postage, Telegram & Telephone	2,146,773	2,399,307
Rates & Taxes	1,998,866	1,835,211
Insurance	1,871,092	2,359,094
Travelling Expenses	4,879,554	5,661,821
Conveyance	378,302	534,001
<u>Payment to Auditors</u>		
- As Auditors	230,000	286,250
- For Certification/Limited review	-	48,075
- For Reimbursement of Expenses	6,857	-
Professional Fees	3,455,105	2,559,166
Directors' Meeting Fees	55,000	82,500
Filing Fees	33,093	28,002
Commission & Brokerage	2,731,677	3,380,902
Selling & Distribution Expenses	4,367,496	5,958,459
<u>Repairs & Maintenance</u>		
To Building	197,223	665,976
To Machinery	43,649	102,589
To Others	409,579	727,686
Vehicle Maintenance	1,052,444	809,702
Electricity Expense	801,578	799,278
Trade Fair Expense (Net)	1,012,654	1,647,153
Service Charge	420,970	1,100,151
Rebate & Discount	816,518	981,131
Provision for Diminution in value of Investment [Refer Note -23(4)]	1,016,867	44,203,837
Net (Gain)/Loss on Foreign Currency transaction and translation	1,560,054	-
Bank Charges	1,658,755	1,776,221
Sundry Balances Written off (Net of Written Back)**	2,876,698	9,861,135
Miscellaneous Expense	3,312,043	4,788,283
Total	43,901,478	99,010,288

Selling & Distribution Expenses includes-

	<u>2016-2017</u>	<u>2015-2016</u>
Advertisement	216,990	448,666
Samples (Net) *	3,533,535	4,508,623
Packing Expenses	261,369	360,496
Freight & Delivery Charges	355,602	640,674
	<u>4,367,496</u>	<u>5,958,459</u>

* Realisation on account of Samples ₹ 327,491 (Previous Year ₹ 662,782) from buyers have been credited to Sample Expenses Account.

**Sundry Balances Written off (Net of Written Back) includes:

	<u>2016-17 (₹)</u>	<u>2015-16 (₹)</u>
Bad Debts	529,123	470,983
Statutory Claims Receivable Written off	2,603,633	1,701,358
Others	35,632	-
TUFS Subsidy	-	9,290,782
Less: Credit Balances Written back	(291,690)	(1,601,988)
	<u>2,876,698</u>	<u>9,861,135</u>

Notes forming part of the Consolidated Financial Statements for the Year Ended 31st March, 2017

NOTE-23 : Significant Accounting Policies and Notes to Accounts

1 Subsidiaries

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

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

- 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 Contingent Liabilities not provided for :	31.03.2017 ₹	31.03.2016 ₹
a) Letters of Guarantee	65,000	1,440,750
b) Income Tax pending in appeals*	94,162,266	94,162,266
c) Sales tax claim under Appeal (For this, management expects no liability)**	2,795,656	3,013,194
d) Excise & Custom Duty and Service tax Demand (includes ₹1,55,55,347 (previous year ₹ 48,40,347) penalty on Custom Duty)***	36,431,445	12,234,334

* Assessment Year	Amount 31.03.2017 (₹)	Amount 31.03.2016 (₹)
1998-1999	79,799	79,799
2003-2004	1,63,157	163,157
2005-2006	5,251,177	5,251,177
2008-2009	45,868,423	45,868,423
2009-2010	42,406,650	42,406,650
2010-2011	327,520	327,520
2011-2012	61,590	61,590
2012-2013	3,950	3,950

** Assessment Year	Amount 31.03.2017 (₹)	Amount 31.03.2016 (₹)
2008-09	115,154	115,154
2009-10	104,171	104,171
2010-11	2,576,331	2,576,331
2011-12	—	217,538

***	Particulars	Amount 31.03.2017 (₹)	Amount 31.03.2016 (₹)
	Custom Duty (including penalty of ₹ 4,840,347) (2009-10 to 2012-13)	9,317,667	9,317,667
	Service Tax (2006-07)	256,018	256,018
	Service Tax (2007-08)	327,237	327,237
	Service Tax (2007-08)	–	59,980
	Service Tax (2006-07)	334,000	334,000
	Service Tax (2007-08)	90,842	90,842
	Service tax on commission	–	348,536
	Service Tax (2007-08)	266,676	266,676
	Service Tax (2008-09 to 2011-12)	283,482	283,482
	Service Tax (2009-10)	51,920	51,920
	Service Tax (2006-07 & 2007-08)	695,479	695,479
	Service Tax (2007-08)	202,497	202,497
	Custom Duty (including Fines and Penalty of ₹ 10,715,000)	24,605,627	–

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

The above shares have been valued at cost. The said shares, being long term in nature, no provision for diminution in value has been done in earlier years. However, as per prudence and in view of the Financial Position, the company has made a provision of ₹ 3,00,00,000/- towards diminution in the year 2013-14 and ₹ 4,42,03,837/- towards diminution in the year 2015-16 and a further provision of ₹ 10,16,866.5 towards diminution in the year 2016-17 which, according to the management, is appropriate.

- 5 In the opinion of board of directors, all the Current Assets, Loan and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
- 6 As the company's business activities fall mainly within a single primary business segment viz, Dealing in fabrics and accessories, so disclosure requirement of Accounting Standard 17 "Segment Reporting" notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 has not been given.
- 7 **Related Party Disclosure in accordance with Accounting Standard 18 notified in the Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.**

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

Name of Transaction	31.03.2017		31.03.2016	
	In Respect of (a) & (b) above	In Respect of (c) above	In Respect of (a) & (b) above	In Respect of (c) above
	₹	₹	₹	₹
Remuneration Paid	2,254,840	300,000	2,254,840	348,000
Loan taken	–	–	–	–
Loan refunded	–	–	–	–
Interest paid	–	–	–	–

8 The Net worth of the Holding Company has been fully eroded and it has initiated business and debt restructuring. In view of the ongoing restructuring, the accounts of the Company and Consolidation have been prepared on going concern basis. The Holding Company has applied for registration with BIFR during the year.

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

- i) **Net Profit/(Loss) after Tax available for Equity Shareholders**
ii) Weighted average Number of Equity Shares of ₹ 10/- each outstanding at
iii) Basic/ Diluted Earning Per Share (i/ii)

2016-17 (₹)	2015-16 (₹)
(142,813,626)	(178,984,689)
9,262,250	9,262,250
(15.42)	(19.32)

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

11 **Wholetime Directors' Remuneration:**

PARTICULARS	31.03.2017 (₹)	31.03.2016 (₹)
a) Salaries and Bonus	1,932,000	1,932,000
b) Contribution to P.F. and other Funds	231,840	231,840
c) Other Perquisites	91,000	91,000
Total	2,254,840	2,254,840

- 12 Loans and advances include ₹ 15,408/- (Previous Year amounting to ₹ 8,269/-) balance lying with Central Excise department.
- 13 Land measuring about 2.07 acre duly conveyed in the name of one of the unit of the company by the State Government has been disputed by the original owner and the matter is subjudice.
- 14 There is no amount due to be credited to Investors Education & Protection Fund as on 31st March, 2017.
- 15 Due to unfavourable market conditions and downturn in silk industry, one of the units at Ganagarampur is no more viable to operate. So the company has declared permanent closure w.e.f. 03.01.2017.

16 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, 2017. In case of Foreign Subsidiary, they have got their accounts compiled by their Auditors for the year ended 31st March, 2017.

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

B) Principal of Consolidation :

- i) The Financial Statements of the Parent Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and the unrealised profits to the extent possible.
- ii) The Financial Statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The excess of the cost of the Parent Company of its investments in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the Financial Statements as Goodwill/Capital reserve and charged to revenue. However such excess or deficit arising after the acquisition date on account of currency fluctuation in respect of Foreign subsidiary is transferred to Currency Fluctuation Reserves or Goodwill. Goodwill arising out of consolidation is written off during the year as a matter of prudence.

C) Historical Cost Conventions and Revenue Recognition:

- i) Financial statements are drawn using the historical cost convention and adopting accrual basis save & except, realisation on account of samples which are accounted for on settlement/receipt basis in view of uncertainty of realisation.
- ii) Sale of import/export entitlements received by way of SIL/QUOTA licenses has been booked as on the date of sale thereof. However Duty Draw Back and DEPB entitlement are accounted for on accrual basis on eligible amount of exports made and entitlement of target plus scheme has been accounted on utilisation basis as per the scheme. Focus product credit is booked on the basis of licences received.

D) Fixed Assets and Capital Expenditure:

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliable. The cost of an item of PPE is the case price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, Excise and Custom duty where CENVAT credit on capital goods is availed.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company has chosen the cost model for recognition and the model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at the cost less any accumulated depreciation and any accumulated impairment losses.

Capital work in progress is stated at cost and such cost includes the cost property, plant and equipment under installation/under development as at the balance sheet date.

Capitalisation of Construction Period expenses

Direct Expenses as well as clearly identifiable indirect expenses incurred during construction period have been capitalised directly with respective assets, Finance cost and other allocable expenses during the construction period of project have been capitalised proportionately.

E) Depreciation:

Depreciation is provided on Written Down Value Method as per Schedule II of the Companies Act, 2013, save and except for units J.J.Spectrum Silk and J.J. Exporter Limited- DTA Unit where depreciation has been provided on Straight Line Method as per Schedule II of the Companies Act, 2013. Lease hold assets are amortised over the period of lease, wherever applicable. Increase and decrease in the value of assets arising out of exchange fluctuation is charged over the remaining useful life of the assets to the extent of the applicability for the consolidated financial statements.

F) Valuation of Inventory:

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

G) Investment:

Non-current investments are stated at cost. Provisions are being made for diminution in value other than temporary in nature. Current investments categorywise are valued at cost or market price, whichever is lower.

H) Foreign Currency Transactions:

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

I) Employee Benefits:

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

- ii) Post Employment benefits and other long term employee benefits includes:

Defined Contribution Plans:

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

Defined Benefit Plans:

Company's liability towards gratuity is actuarially determined at each Balance Sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in Statement of Profit and Loss. The contribution towards Gratuity is funded with LIC.

J) Taxation :

Income Tax expense comprises current tax and deferred tax charge or credit. Deferred tax asset or liability is recognised using substantively enacted tax rates. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and to reassess realisation/liabilities.

K) Impairment of Assets:

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

L) Provisions, Contingent Liabilities & Contingent Assets :

Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimate of probable outflows of resources. Contingent liabilities are the possible obligation of the past events , the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes to the accounts. Contingent assets are neither provided for nor disclosed.

M) Government Grants :

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

N) Borrowing Costs :

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

- 17 The Company had closed down the operation in its units at Dodaballapur, Bangalore with effect from 01-04-2013 and had disposed off the assets thereon in the Previous year except Land and Building.

- 18 Disclosure for dealings in Specified Bank Notes as applicable to the Holding Company:

	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing Cash in hand as on 08.11.2016	141,000	130,727	271,727
(+) Permitted receipts	-	1,169,560	1,169,560
(-) Permitted payments	-	1,163,783	1,163,783
(-) Amount deposited in Banks	141,000	46,202	187,202
Closing Cash in hand as on 30.12.2016	-	90,302	90,302

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

Additional Information for the Consolidated Financial Statements for the year ended 31st March, 2017

Name of the Entity in the	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent Subsidiaries				
Indian				
NONE				
Foreign				
1 SPIN INTERNATIONAL INC (100% Subsidiary)	N.A.*	34,846,548	5.50%	(7,856,373)

Associates Indian/Foreign**NONE****Joint Venture Indian/Foreign****NONE**

NOTE:

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

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

ICAI Reg. No. 302111E

Anand Prakash*Partner*

(Membership No. 056485)

Place : Kolkata

Dated: 29th Day of May, 2017

For and on Behalf of the Board

Rajiv Jhunjunwala — *Vice Chairman***A. B. Chaturvedi** — *Director & CFO***H. S. Senapati** — *Director***Rahul Singhi** — *Director***Shruti Murarka** — *Company Secretary*

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