

**BOOK - POST**

To,

***If Undelivered please return to :***

**LINK INTIME INDIA PVT. LTD.  
(UNIT : JAINEX AAMCOL LTD.)**

C- 13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai - 400 078.

2012



ANNUAL REPORT  
AND  
ACCOUNTS

**JAINEX AAMCOL LIMITED**

# JAINEX AAMCOL LIMITED

## ***Board of Directors***

Bhagat Singh Dugar  
R. Mazumdar  
Rahul Dugar  
Mohan Kothari

## ***Bankers***

Bank of India

## ***Auditors***

R. A. SINGH & ASSOCIATES  
Chartered Accountants,  
Mumbai

## ***Registered Office***

405 & 406, Sharda Chambers,  
15, Vir Vitthal Das Thackersey Marg,  
New Marine Lines,  
Mumbai - 400 020.

## ***Factory***

L-3, MIDC Industrial Area, Chikalthana,  
Aurangabad - 431 210. Maharashtra

## ***Registrar For the Depository Scheme***

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (West), Mumbai - 400 078.

## ***ISIN No.***

INE 280 F 01019 with CDSL

## ***Scrip Code (BSE)***

**505212**

NOTICE

Notice is hereby given that the 64th Annual General Meeting of the shareholders of **JAINEX AAMCOL LIMITED** will be held at Kilachand Conference Room, Indian Merchants Chamber, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400 020 on Saturday, the 29th day of, September, 2012 at 3.00 p.m. to transact the following business :

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts of the company for the year ended 31<sup>st</sup> March 2012 and the reports of Directors and Auditors thereon.
2. To appoint shri Rahul Dugar Director who retires by rotation and being eligible offers him self for re-appointment.
3. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution:

"RESOLVED that Messrs. R. A. Singh & Associates, Chartered Accountants, Mumbai, FRN 110271W, be and are hereby re-appointed as Auditors of the company to hold office until the conclusion of the next Annual General Meeting of the company at a remuneration to be mutually agreed between the Directors of the company and the Auditors".

BY ORDER OF THE BOARD

(R. MAZUMDAR)  
MANAGING DIRECTOR

REGISTERED OFFICE  
405/406, Sharda Chambers,  
15, Sir V.T. Marg, New Marine Lines  
Mumbai – 400 020. Maharashtra.

PLACE: Mumbai

DATED: 31<sup>st</sup> July, 2012

NOTES:

proxy to attend and on poll to vote instead of himself and proxy need not be a Member of the Company.

3. Members are requested to immediately intimate change of address, if any, to the Registrars & Share Transfer Agent of the Company, at M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078.
4. In accordance with the provisions of section 205A of the Companies Act, 1956, there are no unpaid dividends required to be deposited into the Investor Education and Protection Fund of the Central Government.

TO THE SHAREHOLDERS

Your Directors present their Annual Report together with Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2012

	2012 Rs in lacs	2011 Rs in lacs
a) Revenue from operations	1361.05	1190.33
b) Other Income	12.28	4.14
	<b>1373.33</b>	<b>1194.47</b>
Operating Profit before Extraordinary items and Tax	94.34	32.48
Less : Extraordinary items	94.10	
Less : Provision for Income Tax - MAT – (net)		0.19
Add/Less: Deferred Tax (credit)	0.08	7.64
Profit for the year after tax	0.16	24.65
Add : Profit b/f from previous year	10.83	(13.82)
Balance available for appropriations	10.99	10.83
Less : Interest of Dividend Distribution Tax for previous year	-	-
Balance carried to Balance Sheet	10.99	10.83

Your Directors have to inform that the turnover of the company increased by 14% to Rs 1361.05 lacs. Further exports have increased by 100% to Rs 156.99 lacs . The EBITDA for the year under review is Rs.340.74 lacs as against Rs.242.39 lacs in previous year. Your Directors have to further report that consequent on the euro zone crises there has been a down turn in the automotive industry resulting in a demand recession. Fortune of the automotive industry are expected to revive from the third quarter of the current year.

Allotment of equity shares at premium

The Hon'ble Bombay High Court has vide its order dated December 08 ,2011, sanctioned the scheme of arrangement of the company with its specified creditors for conversion of unsecured loans of Rs. 3.20 crores into 800000 equity shares of face value of Rs 10/- each at a premium of Rs 30/- per share. The Hon'ble Bombay High Court had further ordered that the said preferential allotment be done after adjudication and payment of stamp duty. The adjudication order has been received and the payment is being made within the stipulated time.

AUDITORS

Messrs. R. A. Singh & Associates, Chartered Accountants, Mumbai, FRN 110271W the retiring auditors are eligible for re-appointment. The Board recommends their re-appointment.

COST AUDITORS

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Audit Report) Rules,2011 vide its notification no GSR 430(E) dated June 03,2011. This rules make it mandatory for industries to appoint a Cost Auditor with in 90 days of the commencement of the financial year. The Cost Audit Order No 52/26/CAB/2010 dated January 24, 2012 covers engineering machinery (electrical and electronic products) due to which the Company's manufacturing operations will get covered w.e.f. April 01 , 2012. The company is in process of appointing the Cost Auditor.

DIRECTORS

Shri Rahul Dugar Director who retires by rotation and being eligible offer him self for re-appointment. The Directors recommend his re-appointment.

EMPLOYEE RELATIONS

Your Directors are pleased to place on record their sincere appreciation of the sacrifice made voluntarily in the remuneration by all officers of the company to help the company tide over the global meltdown. Your Directors would also like to place on record their appreciation for the services rendered by all categories of the company's employees.

BANKERS

Your Directors would like to place on record their appreciation for the pro-active support and assistance given by the bankers, Bank of India and look forward to receive their continued support and assistance.

DIRECTORS' RESPONSIBILITY STATEMENT

The company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review. Pursuant to Section 217 (2AA) of the Companies Act, 1956, and in respect of the annual accounts for the year under review, the Directors hereby confirm that:

- a) In preparation of annual accounts, the applicable accounting standards have been followed save and except those mentioned in the Notes forming part of Accounts.
- b) They have in the selection of the accounting policies, consulted the Statutory Auditors and have 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 the profit of the company for that year.
- c) Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for

## JAINEX AAMCOL LIMITED

safeguarding the assets of the company and for preventing and detecting frauds and others irregularities have been taken to the best of their knowledge and ability

- d) The annual accounts have been prepared on a "going concern basis".

### CORPORATE GOVERNANCE

The requirements of Corporate Governance are not applicable to the company in view of its paid-up capital being less than the limits specified for the purpose by the authorities.

### ADDITIONAL INFORMATION

- a) CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO.

The information required u/s 217(1)(e) of the Company's Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 with respect of these matters is appended hereto (Annexure 1) and form part of this report.

- b) No information is to be furnished pursuant to provisions of section 217(2)(A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as there are no employees including Whole Time Directors drawing remuneration in excess of the limits prescribed in the said section/rules.

- c) The company has obtained a Compliance Certificate from a Company Secretary in whole time practice as required under sub-section (1) of Section 383A of the Companies Act, 1956 which is enclosed herewith forming part of Directors' Report.

By Order of the Board

(R.MAZUMDAR)  
MANAGING DIRECTOR

(RAHUL DUGAR)  
DIRECTOR

PLACE: Mumbai

DATED: 31<sup>st</sup> July, 2012

## JAINEX AAMCOL LIMITED

Information required u/s 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

### I. Conservation of Energy.

Wherever possible energy conservation measures have already been implemented and there are no major areas where further energy conservation measure can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an ongoing basis.

### II. Particulars as per Form B

#### A. Research & Development (R & D)

1. Specific areas in which R & D is carried out by the Company - The R & D efforts of the Company are directed towards quality control, improvement of existing products and development of allied products.
2. Benefits derived as a result of the above R & D. Improvement in the product quality and import substitution.
3. The company has developed the manufacture of spline gauges and dry cutting hobs and are examining various measures for improvement of productivity and reduction of costs.
4. Expenditure on R & D  
The R & D efforts are totally integrated with the manufacturing activities including development of new products. As such R & D expenses cannot be segregated.

#### B. Technology Absorption, Adaptation and Innovations.

1. Efforts  
The company had originally started manufacturing Hobs in collaboration with Messer. Klingelberg Zahntechnik, GmbH of Germany and the collaboration ended in 1981. During the period of collaboration the company successfully absorbed the technology and since beginning, the company is continuing the manufacture of Gear Hobs and it is also keeping abreast with the latest technology development abroad.
2. Benefits  
The company has been in a position to cater to the requirements of customers both Indian and Foreign.
3. Particulars of Technology imported during the last 5 years.  
The company has not imported any technology during last 5 years. The earlier technical collaboration expired in 1981.

- ©. Foreign Exchange - Earnings and Outgo  
The information on foreign exchange earnings is contained in Note No. 27(3), (4) and (5).

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of JAINEX AAMCOL LIMITED as at 31<sup>st</sup> March, 2012 and the Statement of Profit and loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- i) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- ii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- iii) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable and read with notes forming part of the accounts.
- iv) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Accounting Policies and Notes forming part of the accounts; give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

## JAINEX AAMCOL LIMITED

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012,
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for R. A. SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS

R. A. SINGH  
(PROPRIETOR)  
FRN 110271W  
Place : Mumbai  
Date : 31<sup>st</sup> July, 2012

## JAINEX AAMCOL LIMITED

Statement on the Companies (Auditor's Report) Order, 2003

Annexure

Re: JAINEX AAMCOL LIMITED

Referred to in paragraph 3 of our report of even date.

- (I) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than furniture & fixtures and office equipments.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year and therefore the question of affecting the status of going concern of the company does not arise.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has taken loans from body corporates, a firm, shareholders and directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 691.19 lacs and the year-end balance of loans taken from such parties was Rs. 343.19 lacs.
- (b) In our opinion, the rate of interest (paid in few cases) and other terms and conditions on which loans have been taken from companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated or as and when required.

(d) There is no overdue amount of loans taken from companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 lacs or more in respect of each party.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public. The company has, however, taken loans from shareholders and body corporates which are under exempt category and also from a firm whose two major partners are shareholders/directors and therefore compliances under the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to such deposits are not considered for compliance by the company.

(vii) In our opinion, internal audit system conducted by a professional firm is commensurate with the size of the company and nature of its business.

(viii) The company is required to maintain records pursuant to the amendment rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and the same are subject to cost audit which is yet to be implemented and complied with.

(ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, ESIC, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Investor Education and Protection Fund and other material statutory dues as applicable to the company.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues set out herein below in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess have been deposited by the company with the appropriate authorities on account of disputes.

Name of Statute	Nature of Dues	Amount in Rs. lacs	Amount in Rs. lacs paid under protest	Period to which the amount relates	Forum where disputes is pending
Customs	Custom Duty	7.14	2.00	2008-2009	Commissioner of Customs - (Appeals)

(x) The company does not have any accumulated losses as at 31.03.2012 and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long term investments.

(xviii) According to the information and explanations given to us, the company is in the process of making a preference allotment of 8,00,000 Equity shares of a face value of Rs. 10 each with a premium of Rs. 30 per share pursuant to a scheme of arrangement and order passed by the hon'ble High Court of Bombay on 08.12.11 to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Since the said allotment is being made in pursuance of



**JAINEX AAMCOL LIMITED**

High Court order with premium, the shares being allotted are not prejudicial to the interest of the company.

(xix) The provisions of clause 4 (xix) of Companies (Auditors Report) Order, 2003 regarding security or charge in respect of Debentures issued are not applicable to the Company.

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

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for R. A. SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS

R. A. SINGH  
(PROPRIETOR)

Place : Mumbai

Date : 31<sup>st</sup> July, 2012

**JAINEX AAMCOL LIMITED**

**Balance Sheet as at 31st March, 2012**

Sr. No.	Particulars	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I.	<b>EQUITY AND LIABILITIES</b>			
(1)	<u>Shareholder's Funds</u>			
	(a) Share Capital	2	6993940	6993940
	(b) Reserves and Surplus	3	12603154	13697471
			19597094	20691411
(2)	Share Application Money Pending Allotment	4	32000000	0
(3)	<u>Non-Current Liabilities</u>			
	(a) Long-Term Borrowings	5	111956336	110777905
	(b) Deferred Tax Liabilities (Net)	6	697917	642417
	(c) Long-Term Provisions		389897	389897
			113044150	111810219
(4)	<u>Current Liabilities</u>			
	(a) Short-Term Borrowings	7	28280268	19073935
	(b) Trade Payables	8	16442583	15476279
	(c) Other Current Liabilities	9	13340272	11813941
	(d) Short-Term Provisions	10	3268942	3393786
			61332065	49757941
	<b>Total</b>		225973309	182259571
II.	<u>ASSETS</u>			
(1)	<u>Non-Current Assets</u>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	159612914	101416742
	(ii) Intangible Assets		561393	670000
			160174307	102086742
	(b) Long Term Loans and Advances	12	2013964	14700162
	(c) Other Non-Current Assets	13	67946	123692
			2081910	14823854
(2)	<u>Current Assets</u>			
	(a) Inventories	14	29323975	25360468
	(b) Trade Receivables	15	28025997	25898439
	(c) Cash and Cash Equivalents	16	3583049	913022
	(d) Short-Term Loans and Advances	17	2682469	13164242
	(e) Other Current Assets	18	101602	12804
			63717092	65348975
	<b>Total</b>		225973309	182259571

Accompanying notes forming part of the accounts Note Nos. 1 to 27

As per our report of even date attached.

For R. A. SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS

(R.A.SINGH)  
PROPRIETOR

Membership No. : 014098  
Firm Reg. No.: 110271W  
Place :- Mumbai  
Dated :- 31st July, 2012

(R. Mazumdar)  
Managing Director

(Rahul Dugar)  
Director

**JAINEX AAMCOL LIMITED**

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

Sr. No.	Particulars	Note No.	FY 2011-2012 ₹	FY 2010-2011 ₹
I	Revenue from Operations	19	136104842	119033416
II	Other Income	20	1227814	414148
III	Total Revenue		137332656	119447564
IV	<u>Expenses:</u>			
	Cost of Raw Materials Consumed	21(A)	30787665	31331643
	Changes in inventories of finished goods & work-in-progress	21(B)	-1784258	-574153
	Employee Benefit Expense	22	29047193	25934194
	Financial Costs	23	12567879	11058490
	Depreciation and Amortization Expense	24	12072075	9932510
	Other Expenses	25	45208454	38516629
	Total Expenses		127899008	116199313
V	Profit before extraordinary items and tax		9433648	3248251
VI	Extraordinary items	26	9410370	0
VII	Profit before tax		23278	3248251
VIII	<u>Tax Expense:</u>			
	(1) Current Tax		4435	621182
	Less : MAT Credit (Entitlement)		-4435	-602226
	(2) Current Tax Expense relating to prior years		-47893	0
	(3) Deferred Tax		55500	764461
			7607	783417
IX	Profit for the year		15671	2464834
X	<u>Earning per equity share:</u>			
	Basic & Dialuted		0	4

Accompanying notes forming part of the accounts Note Nos. 1 to 27  
As per our report of even date attached.

**For R. A. SINGH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(R.A.SINGH)**  
PROPRIETOR

Membership No. : 014098  
Firm Reg. No.: 110271W  
Place :- Mumbai  
Dated :- 31st July, 2012

**(R. Mazumdar)**  
Managing Director

**(Rahul Dugar)**  
Director

**JAINEX AAMCOL LIMITED**

**Cash Flow Statement for the year ended 31 March, 2012**

Sr. No.	Particulars	FY 2011-2012 ₹	FY 2010-2011 ₹
A.	<u>Cash flow from operating activities</u>		
1	Net Profit / (Loss) before extraordinary items and tax	9433648	3248251
	Adjustments for:		
	Depreciation and amortisation	12016329	9876764
	Amortisation of share issue expenses and discount on shares	55746	55746
	(Profit) / loss on sale / write off of assets	-535895	-239772
	Finance costs	12567879	11058490
	Interest income	-118292	-162805
2	Operating profit / (loss) before working capital changes	33419415	23836674
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	3963507	7857175
	Trade receivables	2127558	3462638
	Short-term loans and advances	-10481773	-7210204
	Long-term loans and advances	-12686198	14700162
	Other current assets	88798	12804
		-16988108	18822575
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	966304	6505917
	Other current liabilities	1526331	10149249
	Short-term provisions	-124844	3393786
	Long-term provisions	0	389897
		2367791	20438849
	Cash flow from extraordinary items	0	0
	Cash generated from operations	-19355899	-1616274
	Net income tax (paid) / refunds	47893	-18956
3	Net cash flow from / (used in) operating activities (A)	52823207	25433992
B.	<u>Cash flow from investing activities</u>		
	Capital expenditure on fixed assets, including capital advances	-71412440	-2298202
	Proceeds from sale of fixed assets	734453	268370
	Interest received	118292	162805
	Cash flow from extraordinary items	-9410370	0
	Net cash flow from / (used in) investing activities (B)	-79970065	-1867027

**JAINEX AAMCOL LIMITED**

**Cash Flow Statement for the year ended 31 March, 2012**

Sr. No.	Particulars	FY 2011-2012 ₹	FY 2010-2011 ₹
C.	Cash flow from financing activities		
	Share application money received	32000000	0
	Proceeds from long-term borrowings	1178431	-13605329
	Net increase / (decrease) in working capital borrowings	6448787	-426115
	Proceeds from other short-term borrowings	2757546	0
	Finance cost	-12567879	-11058490
	Net cash flow from / (used in) financing activities (C)	29816885	-25089934
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2670027	-1522969
	Cash and cash equivalents at the beginning of the year	913022	2435991
	Cash and cash equivalents at the end of the year (Refer Note 15)	3583049	913022
	Reconciliation of Cash and cash equivalents with the Balance Sheet		
	Cash and cash equivalents as per Balance Sheet (Refer Note 15)	3583049	913022
a)	* Comprises:		
b)	Cash on hand	72668	85073
	Balances with banks		
	(i) In current accounts	1440381	827949
	(ii) In earmarked accounts	2070000	0
		3583049	913022
	Notes:		
	(i) The Cash Flow Statement reflects the combined cashflows pertaining to continuing and discounting operations.		
	(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
	(iii) Figures for previous year have been rearranged/regrouped wherever necessary.		

Accompanying notes forming part of the accounts Note Nos. 1 to 27  
As per our report of even date attached.

**For R. A. SINGH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(R.A.SINGH)**  
PROPRIETOR

Membership No. : 014098  
Firm Reg. No.: 110271W  
Place :- Mumbai  
Dated :- 31st July, 2012

**(R. Mazumdar)**  
Managing Director

**(Rahul Dugar)**  
Director

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

**SIGNIFICANT ACCOUNTING POLICIES**

Sr. No.	Particulars
1	Significant Accounting Policies
1.1	ACCOUNTING CONVENTION The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with Generally Accepted Accounting Principles, Accounting Standards prescribed by ICAI and as per the provisions of the Companies Act, 1956.
1.2	USE OF ESTIMATES 'The preparation of the financial statements require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
1.3	REVENUE RECOGNITION (AS - 9) Sale of goods Turnover includes excise duty, education cess, jobwork receipts and sale of scraps and does not include VAT / CST.
1.4	MISCELLANEOUS EXPENDITURE Expenses related to increase in authorized share capital and issue there under are amortized over a period of five years.
1.5	INVENTORIES VALUATION (AS - 2) a) Raw materials are valued at cost. b) Work in Progress is valued at raw material cost + overheads. c) Finished Goods are carried at lower of cost or market value which ever is less. d) Stores are taken at cost. e) Tools and Spares are taken at net of 1/3rd for usage. f) Scrap at realisable value
1.6	CASH FLOW STATEMENT (AS - 3) Cash Flow Statement is prepared under "Indirect Method".
1.7	CHANGE IN ACCOUNTING POLICIES (AS - 5) There is no change in accounting policy during the year.

## JAINEX AAMCOL LIMITED

### Notes forming part of the Accounts (Contd.) SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Sr. No.	Particulars
1.8	<p><b>DEPRECIATION (AS - 6)</b></p> <p>a) Depreciation is provided under straight line method on fixed assets except in some cases which are on WDV method as in the past in compliance with section 205 (2) (b) of the Companies, Act, 1956 at rates specified in Schedule XIV of the Companies Act, 1956 as amended from time to time.</p> <p>b) Depreciation on additions/deletions is provided on pro-rata basis from the date of such additions /deletions.</p> <p>c) No depreciation has been provided on fixed assets representing written down value below 5% of the original cost.</p>
1.9	<p><b>TANGIBLE/INTANGIBLE FIXED ASSETS (AS-10)</b></p> <p>a) Fixed Assets are stated at cost (net of cenvat wherever availed) and includes an amount of Rs.343.82 lacs added on revaluation of Fixed Assets viz. Leasehold Land, Building and Plant &amp; Machinery of company's Unit at Aurangabad, carried out by an approved valuer during FY 99, less accumulated depreciation. The gross and net block of fixed assets are therefore more by Rs 343.82 lacs (Rs. 346.43 lacs) and Rs. 61.07 lacs (Rs. 72.17 lacs) respectively and the corresponding effect has been given in the Revaluation Reserve Account. Depreciation (cumulative as well as for the year) on the revalued amount added to fixed assets on account of revaluation is adjusted by transfer of equivalent amount from Revaluation Reserve Account created on revaluation of fixed assets to Profit &amp; Loss Account.</p> <p>b) Leasehold land is shown at revalued cost.</p>
1.10	<p><b>TRANSACTION OF FOREIGN CURRENCY ITEMS (AS - 11)</b></p> <p>a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.</p> <p>b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end are translated at exchange rates applicable on that date.</p> <p>c) Non-monetary items denominated in foreign currency (such as fixed assets) are valued at forward contract exchange rate contracted for the such liability, wherever applicable.</p> <p>d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the profit &amp; loss account.</p> <p>e) In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between exchange rate at the reporting / settlement date and the exchange rate on the date of inception/ the last reporting date, is recognised as income / expense for the period.</p>

## JAINEX AAMCOL LIMITED

### Notes forming part of the Accounts (Contd.) SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Sr. No.	Particulars
1.11	<p><b>EMPLOYEE BENEFITS (AS - 15 Revised)</b></p> <p>a) <b>Defined Contribution Plan</b> The state governed Provident Fund Scheme, Employees State Insurance Scheme and Employee Pension Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the year in which the employee renders the related services.</p> <p>b) <b>Defined benefit plan/ Long Term Compensated Absences.</b> The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation based on actuarial valuation using the Projected Unit Credit Method is not determined and any effect thereof will be provided / accounted as and when finalized.</p> <p>c) <b>Compensated Absences</b> The company has provided for the leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Liability as per actuarial valuation is not determined and any effect thereof will be provided / accounted as and when finalized. The company has no defined benefit plan for this purpose as yet.</p>
1.12	<p><b>BORROWING COST (AS-16)</b></p> <p>Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of such assets till such time as the assets are ready for their intended use. Qualifying assets are assets that necessarily require a substantial period of time to get ready for their intended use. All the other borrowing cost is recognized as an expense.</p>
1.13	<p><b>LEASES (AS-19)</b></p> <p>Leasehold land comprising only on account of revaluation is amortized over the period of lease.</p>
1.14	<p><b>TAXES ON INCOME (AS - 22)</b></p> <p>a) Current tax is determined as the amount of tax payable in respect of taxable income for the year, as per applicable tax rates and laws.</p> <p>b) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originates in one period and capable of reversal in one or more subsequent periods.</p>
1.15	<p><b>DISCONTINUING OPERATIONS (AS - 24)</b></p> <p>The Company has not discontinued any operations during the year.</p>

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)  
SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Sr. No.	Particulars
1.16	<p><b>IMPAIRMENT OF ASSETS (AS-28)</b></p> <p>a) Impairment of assets has been recognized and losses if any has been charged to Profit &amp; Loss account.</p> <p>b) As of each balance sheet date, the carrying amount of assets is tested for impairment so as to determine -</p> <p style="padding-left: 20px;">i. the provision for impairment loss, if any, required, or</p> <p style="padding-left: 20px;">ii. the reversal, if any, required or impairment has recognized in previous year.</p>
1.17	<p><b>PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29)</b></p> <p>a) The provisions are recognised and measured by using a substantial degree of estimation.</p> <p>b) Contingent liabilities and contingent assets are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in issue.</p>
1.18	<p><b>BUSINESS SEGMENT</b></p> <p>The company operates in a business segment viz. Gear Cutting, Special Cutting Tools and Spline Gauges and is considered single segment operations.</p>
1.19	<p><b>EARNINGS PER SHARE (AS - 20)</b></p> <p>Basic/Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the number of equity shares outstanding during the year.</p>

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 2 SHARE CAPITAL</b>		
a)	<b>Authorised</b> 30,00,000 (30,00,000) Equity Shares of Rs. 10/- each.	30000000	30000000
b)	<b>Issued, Subscribed &amp; Paid up</b> 6,96,338 (6,96,338) Equity Shares of Rs. 10/- each fully paid up	6963380	6963380
	Less : Calls in Arrears from others	3595	3595
		6959785	6959785
	Add : <u>Forfeited Shares</u> 13,662 (13,662) Shares of Rs. 2.50 each	34155	34155
		6993940	6993940
c)	<b>Reconciliation of number of shares</b>		
	Shares at the beginning of the year	696338	696338
	Add :- Shares issued during the year	0	0
	Less :- Buy back of shares/Reduction in share capital	0	0
	Outstanding shares at the year end	696338	696338
d)	Shares held by each shareholder holding more than 5% of the shares		
		31.03.2012	
		Nos. of Shares	% of hodling
		Nos. of Shares	% of hodling
	1 Madhu Bhagat Dugar	56400	8.10%
	2 Jainex Foods Private Ltd	53456	7.68%
	3 Rahul Bhagat Dugar	53500	7.68%
	4 Purushottam Singi	52700	7.57%
	5 Bhagat Singh Dugar	50600	7.27%
	6 Ronojoy Mazumdar	49120	7.05%
	7 Pushpa Garg	43546	6.25%
	8 General Insurance Corpn. Of India	37125	5.33%

**JAINEX AAMCOL LIMITED**

**Notes forming part of the Accounts (Contd.)**

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 2 SHARE CAPITAL- Contd.</b>		
e)	Following details during the period from 01.04.2007 to 31.03.2012		
i.	Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.(Issued to Insurance Companies in lieu of arrears of Preference Dividend allotted on 06/04/09)	150000	150000
ii.	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	0	0
iii.	Aggregate number and class of shares bought back	0	0
		150000	150000
f)	Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	0	0
	<b>NOTE NO: 3 RESERVE &amp; SURPLUS</b>		
a)	Capital Reserve As per last Balance Sheet	1500000	1500000
b)	Capital Redemption Reserve As per last Balance Sheet	3897400	3897400
c)	Revaluation Reserve As per last Balance Sheet Less : Debit for depreciation on revalued portion Less: Effect on account of sale of revalued machinery Closing Balance	7217127 1109988 0 6107139	9406525 2120816 68582 7217127
d)	Surplus - Profit & Loss account As per last Balance Sheet Add : Net Profit/(Net Loss) for the current year Closing Balance	1082944 15671 1098615 12603154	-1381890 2464834 1082944 13697471
	<b>NOTE NO: 4 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		
	The Hon'ble Bombay High Court has vide its order dated December 08,2011, sanctioned the scheme of arrangement of the company with its specified creditors for conversion of unsecured loans of Rs. 3.20 crores into 800000 equity shares of face value of Rs 10/- each at a premium of Rs 30/- per share. The Hon'ble Bombay High Court had further ordered that the said preferential allotment be done after adjudication and payment of stamp duty. The adjudication order has been received and the payment is being made within the stipulated time.		
		32000000	0

**JAINEX AAMCOL LIMITED**

**Notes forming part of the Accounts (Contd.)**

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 5 LONG TERM BORROWINGS (Secured)</b>		
	From Bank of India		
a	Rupee Term Loans	37584014	41615348
b	Capex LCs - Acceptances	42475645	0
		80059659	41615348
c	Car Loan	291666	0
		80351325	41615348
	<b>Nature of Security and terms of repayment for Long Term secured borrowings:</b>		
TL	<b>Nature of Security</b>	<b>Term of Repayments</b>	
II	Term Loan of ₹ 21.72 Lacs (Previous Year ₹ 39.16 Lacs)	Repayable in 22 Quarterly Instalments starting from 21.03.09. Last Instalment due on 30.06.15	
III	Term Loan of ₹ 59.44 Lacs (Previous Year ₹ 79.44 Lacs)	Repayable in 24 Quarterly Instalments starting from 01.04.10. Last Instalment due on 31.03.16.	
IV	Term Loan of ₹ 230.00 Lacs (Previous Year ₹ 254.00Lacs)	Repayable in 21 Quarterly Instalments starting from 31.03.11. Last Instalment due on 31.03.16.	
V	Term Loan of ₹ 24.15 Lacs (Previous Year ₹ 43.55Lacs)	Repayable in 21 Quarterly Instalments starting from 30.06.09. Last Instalment due on 30.06.14.	
VI	Term Loan of ₹ 90.12 Lacs under DA-Capex LC 360 days due on 27.06.12 (Previous Year ₹ Nil)	Repayable in 24 Quarterly Instalments starting from 31.03.2012. Last Instalment due on 31.12.2017.	
VII	Term Loan of ₹ 375.15 Lacs including under DA-Capex LC 360/720 days ₹ 334.63 Lacs (Previous Year ₹ Nil)	Repayable in 24 Quarterly Instalments starting from 31.03.2013. Last Instalment due on 31.12.2018.	
	Above Term Loans are secured by hypothecation of Plant & Machinery acquired under specific termloans and are collaterally secured by Equitable Mortgage of Land and Building situated at L/3, Chikhalthana, MIDC Indl Estate, Aurangabad and hypothecation of Plant and Machinery not acquired under above term loans.	Rate of interest for above Term Loans is 14.25% p.a. previous year 14 % p.a.	
	Car Loan of Rs. 2.92 Lacs (Previous Year Rs. Nil Lacs) is secured against Tata Indigo Motor Car.	Repayable in 36 EMI starting from 31.12.2011. Last Instalment due on 30.11.2014.	
	<b>(Unsecured)</b>		
c	Loans & Advances from related parties	31605011	69119051
d	Other Loans & Advances Sales Tax Loan from Govt. of Maharashtra	0	43506
	Total (c to d)	31605011	69162557
	Total (a to d)	111956336	110777905

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 6 DEFERRED TAX LIABILITY</b>		
	Tax effect on items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets.	14296270	10834941
	Tax effect on items constituting deferred tax assets		
	Leave Encashment	163729	213376
	Preliminary Expenses	20995	38221
	Unabsorbed depreciation	13413629	9940928
		13598353	10192524
	Net deferred tax liability	697917	642417
	<b>NOTE NO: 7 SHORT TERM BORROWINGS</b>		
1	<u>Secured</u>		
	Loans repayable on demand		
	From Bank of India		
a	Cash Credit Account	23010084	16609214
b	Packing Credit Account	2512638	2464721
		25522722	19073935
	(Secured against hypothecation of Raw Materials, Work in Process, Finished Goods and Receivables)		
	(The above limits are collaterally secured by Equitable Mortgage of Land and Building situated at L/3, Chikhalthana, MIDC Indl. Estate, Aurangabad) and hypothecation of Plant & Machinery not not acquired under Term Loans / LCs from Bank of India.		
2	<u>Un-secured</u>		
a	Loans & Advances from related parties	2714040	0
b	<u>Others</u>		
	Sales Tax Laon from Govt. of Maharashtra	43506	0
		2757546	0
		28280268	19073935
	<b>NOTE NO: 8 TRADE PAYABLES</b>		
a	<u>Other than Acceptances</u>		
	For Materials/Goods	12293701	11740490
	For Expenses	4148882	3735789
		16442583	15476279
	Sundry Creditors due to Micro and SMEs exceeding Rs. 1 lakh.	N.A.	N.A.

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 9 OTHER CURRENT LIABILITIES</b>		
	Current maturities of long-term debt		
	(Secured)		
	From Bank of India		
a	Term Loans	10934000	8084000
b	Car Loan	150229	0
	Refer Note No: -4- Long Term Borrowings for details of securities.	11084229	8084000
	<u>Others Payables</u>		
c	Statutory dues	1687316	1100444
d	Capital Creditors	71094	1177677
e	Advance/ credit balance of Customers	497633	1451820
		13340272	11813941
	<b>NOTE NO: 10 SHORT TERM PROVISIONS</b>		
a	<u>Provision for Employee Benefits</u>		
1	Salary & Reimbursements	2638896	2583407
2	Contribution to PF	100180	80839
3	Leave Encashment	529866	690536
		3268942	3354782
b	<u>Provision for Taxation</u>		
1	Income Tax	0	39004
		3268942	3393786

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

NOTE No. - 11 - FIXED ASSETS

Sr. No.	Particulars	Gross Block		Accumulated Depreciation		Net Block					
		Value as at 01.04.2011	Additions	Deductions	As at 31.03.2012	Upto 31.03.2012	For the year	Deductions	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
I	Tangible Assets										
A.	Leasehold Land	5338777	0	0	5338777	989377	221399	0	1210776	4128001	4349400
B.	Factory & Office Building	8732191	0	0	8732191	3207921	291655	0	3499576	5232615	5524270
C.	Plant and Equipment	157489701	70268744	679403	227079042	73700650	10424461	557508	83567603	143511439	83789051
D.	Office Equipment	840756	73728	0	914484	414828	39872	0	454700	459784	425928
E.	Furnitures & Fixtures	5388730	427775	0	5816505	1678623	332444	0	2011067	3805438	3710107
F.	Vehicles	1128911	631501	575491	1184921	896717	119690	498828	517579	667342	232194
G.	Computer	9858337	10692	0	9869029	6472545	1588189	0	8060734	1808295	3385792
	SUB TOTAL (I)	188777403	71412440	1254894	258934949	87360661	13017710	1056336	99322035	159612914	101416742
II.	Intangible Assets										
1	Computer Software	670000	0	0	670000	(*)	0	108607	0	561393	670000
	SUB TOTAL (II)	670000	0	0	670000	0	108607	0	108607	561393	670000
	Total [I + II] (Current Year)	189447403	71412440	1254894	259604949	87360661	13126317	1056336	99430642	160174307	102086742
	(Previous Year)	188507302	2298202	1358101	189447403	76623997	11997580	1260916	87360661	102086742	

Note :

1 The Gross Block of Fixed Assets as at 31.03.2012 include Rs. 343.82 lacs (net of sale of half land at Aurangabad during the financial year FY 03 and machinery in FY 12) on account of revaluation of Fixed Assets of Aurangabad Unit comprising Land, Building and Plant & Machinery carried out on 01.04.98 by an approved valuer.

2 Cumulative amount transferred on account of depreciation on revaluation ₹ 282.75 lacs (net of adjustment /deduction on account of sale of land).

3 No depreciation has been charged on assets not in use.

(\*) Put to use in FY 12

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 12 LONG TERM LOANS AND ADVANCES</b>		
a	<b>Security Deposits</b>		
	Un-secured, considered good	423040	378640
b	Deposit for Customs' Appeal - Capital item	200500	200500
c	MAT Credit Entitlements	1390424	1385989
d	Others	0	12735033
		2013964	14700162
	<b>NOTE NO: 13 OTHER NON CURRENT ASSETS</b>		
	Pre-liminary Expenses	67946	123692
	<b>NOTE NO: 14 INVENTORIES</b>		
a	Raw Materials At Cost	14966232	13850689
	Goods in Transit At Cost	391559	158129
		15357791	14008818
b	Work-in-Progress At Cost	2683244	4722218
c	Finished Goods Internally Manufactured At Cost or Realisable value whichever is lower	6676265	3490033
d	Stores & Spares At Cost	2079440	1499287
e	Loose Tools At Cost	1890235	214563
f	Machinery Spares At Cost	0	1425549
g	Scraps At Realisable value	637000	0
		29323975	25360468



**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
	<b>NOTE NO: 15 TRADE RECEIVABLES</b>		
a	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	1463497	1285147
	Unsecured, considered doubtful	0	0
		1463497	1285147
b	Outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	26562500	24613292
	Unsecured, considered doubtful	0	0
		26562500	24613292
		28025997	25898439
	<b>NOTE NO: 16 CASH AND CASH EQUIVALENTS</b>		
	<b>Cash and Cash Equilant</b>		
i	Cash on Hand	72668	85073
ii	<u>Balances with Banks</u>		
	In Current Accounts	1440381	827949
iii	<u>Other Bank Balances</u>		
	In earmarked deposit for BG margin	2070000	0
		3583049	913022
	<b>NOTE NO: 17 SHORT TERM LOANS AND ADVANCES</b>		
a	Loans and advances to Employees	36277	64037
b	Prepaid Expenses	195838	31118
c	<u>Balances with Govt Authorities</u>		
	Balance with Excise Authorises	1497286	875722
	Balance with Income Tax Authorises	944107	42908
		2441393	918630
d	<u>Other loans and advances</u>		
1	For Capital Items		9304737
2	Others	8961	2845720
		8961	12150457
		2682469	13164242
	<b>NOTE NO: 18 OTHER CURRENT ASSETS</b>		
	Interest Accrued	101602	12804
		101602	12804

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 11-12 ₹	FY - 10-11 ₹
	<b>NOTE NO: 19 REVENUE FROM OPERATIONS</b>		
a)	<u>SALES</u>		
	Gear Hobs	100192754	86300312
	Milling Cutters	11093786	9298728
	Spline Gauges	8110113	5325853
	Broaches	257154	1152632
		119653807	102077525
	<u>Less : Sales Return</u>		
	Gear Hobs	858220	784789
	Cuttters	231939	36525
	Spline Gauges	84113	45512
		1174272	866826
		118479535	101210699
	Add: Central Excise Duty & ED. Cess Collected	10811315	9810411
	Gross Sales	129290850	111021110
b)	<u>Other Operating Revenues</u>		
	Job Work Charges	4935866	4724858
	Add :Service Tax collected on Job Work	493798	473735
	Scrap /Misc. Sales	1384328	2813714
		6813992	8012307
	Total (a+ b)	136104842	119033416
	<b>NOTE NO: 20 OTHER INCOME</b>		
	Profit on Sales of Machinery & Motor Car	535895	239772
	Misc. Receipts/write-off(net)	360057	11571
	Interest Received	112692	23415
	Interest on Income Tax Refund	5600	139390
	Net Gain on Foreign Currency Transactions and Translations	213570	0
		1227814	414148

## JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 11-12 ₹	FY - 10-12 ₹
	<b>NOTE NO: 21 COST OF RAW MATERIALS CONSUMED</b>		
A.	<u>Cost of Raw Material Consumed</u>		
	Inventory at the beginning of the year	14008818	7902337
	Add : Purchase (net of returns, cenvat + freight & octroi)	32136638	37438124
	Less : Inventory at the end of the year	15357791	14008818
		<b>30787665</b>	31331643
	<u>Details of Raw Material Consumption</u>		
a)	Import	6211411	4267776
		22.79%	18.59%
c)	Indigenous/ Local purchase	24576254	27063867
		77.21%	81.41%
		<b>30787665</b>	31331643
B.	<u>Changes in Inventories</u>		
a	<u>Inventories at the end of the year:</u>		
	Finished Goods	6676265	3490033
	Work-in-Progress	2683244	4722218
	Scrap	637000	0
		<b>9996509</b>	8212251
b	<u>Inventories at the beginning of the year:</u>		
	Finished Goods	3490033	3442320
	Work-in-Progress	4722218	4195778
	Scrap	0	0
		<b>8212251</b>	7638098
	Net (Increase)/Decrease	<b>-1784258</b>	-574153
	<b>NOTE NO: 22 EMPLOYEE BENEFITS EXPENSE</b>		
a	Salaries, Wages & Allowances	25821771	23126418
b	Contribution to Provident and Other Funds	1140361	950723
c	Gratuity Fund Contribution	307326	300019
d	Staff Welfare Expenses	1777736	1557034
		<b>29047193</b>	25934194

## JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 11-12 ₹	FY - 10-11 ₹
	<b>NOTE NO: 23 FINANCE COST</b>		
a)	<b>Interest expense on:</b>		
	Borrowings	11788973	10717144
b)	<b>Other borrowing costs</b>	778906	341346
		<b>12567879</b>	11058490
	<b>NOTE NO: 24 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
	Depreciation	13126317	11997580
	Less : Transferred from Revaluation Reserve	1109988	2120816
		<b>12016329</b>	9876764
	Preliminary Expenses W/off	55746	55746
		<b>12072075</b>	9932510
	<b>NOTE NO: 26 OTHER EXPENSES</b>		
a	<b>Manufacturing Expenses</b>		
	Consumption of Stores Etc	2900361	1855193
	Consumption of Tools and Spares	857824	466090
	Consumption of Packing Materials	520521	418730
	Excise Duty	10855423	9812482
	Service Tax	503015	490615
	Increase /(decrease) of Excise Duty on Finished Goods	408508	-65904
	Labour Charges (Mfg.)	3782443	3050999
	Power and Fuel	4395756	3811830
	Repairs and Maintenance - Buildings	639177	19714
	Repairs and Maintenance - Machinery	2330546	2343431
		<b>27193574</b>	22203180
b	<b>Administrative &amp; Other Expenses</b>		
	Travelling and Conveyance	2831754	3174048
	Sales Commission	6361291	4993859
	Consignment Expenses	1843867	1090980
	Legal and Professional	2525830	1620911
	Miscellaneous Expenses	4452138	5433652
		<b>18014880</b>	16313449
	<b>Total</b>	<b>45208454</b>	38516629
	<b>NOTE NO: 26 Extraordinary items</b>		
	Advances paid for Capital Items and related legal expense (Net of recovery) - Written off	9410370	0

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 11-12 ₹	FY - 10-11 ₹
	<b>NOTE NO: 27 ADDITIONAL INFORMATION</b>		
1	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b> <b>(To the extent not provided for)</b>		
a)	<b>Contingent Liabilities</b>		
	(i) Claims against the company not acknowledged as debt	0	0
	(ii) Guarantees		
	Bank Guarantee valid upto 28/09/2021 against EPGC Licence issued by Bank of India		
	Against export obligations to be fulfilled in 6 yrs commencing from FY 12. The said guarantee is equivalent to 15% of duty saved amount of Rs. 119.49 lacs on import of 3 Machines under export obligation against which 100% margin by way of TDR is held by bank.	1800000	0
	(iii) A Bond of Rs. 335 lacs in the form of undertaking dated 27/09/2011 is given by the Company under said EPGC No. 03330030577 dated 15/09/2011 in favour of President of India account custom towards duty saved plus interest for 10 years at 18% p.a. in case if there is a short fall in meeting the export obligations. (Net of export obligation fulfilled in FY 12, balance Export obligations to be fulfilled in 5 years by FY -17)	29400000	0
		31200000	0
b)	<b>Commitments</b>		
	(i) Commitment pending on capital accounts - net of advance	Nil	617000
	(ii) Uncalled liability on shares and other investments partly paid	Nil	Nil
	(iii) Other commitments (specify nature)	Nil	Nil
		0	617000
		31200000	617000
2	<b>Payment to Auditors</b>		
a)	As Auditor	40000	40000
b)	For Tax Audit Fees	10000	10000
c)	For Taxation & Other Matters	35000	35000
d)	For Banking Matters	50000	0
e)	Service Tax	14935	8755
		149935	93755

**JAINEX AAMCOL LIMITED**

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 11-12 ₹	FY - 10-11 ₹
3	<b>CIF Value of Imports</b>		
	i. Raw Materials;	3787682	5724190
	ii. Components and Spare Parts;	1363283	1882880
	iii. Capital Goods;	60896200	9304737
		66047165	16911807
4	<b>Expenditure in Foreign Currency</b>		
	Travelling	372135	275070
	Professional and Consultation Fees	0	3108247
5	<b>Earning in Foreign Exchange</b>		
	Export of goods calculated on FOB basis	15698515	7848328
6	Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share": (In Rupees)		
	Profit after Tax	15671	2464834
	Number of shares subscribed	696338	696338
	Basic & Diluted EPS	0.0	3.54

7	<p>The Disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are given below.</p> <p>a) <b>Defined Contribution Plan</b> Contribution to Defined Contribution Plan, recognised are charged off for the year are as under.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Rs. FY- 12</th> <th style="text-align: right;">Rs. FY- 11</th> </tr> </thead> <tbody> <tr> <td>Employers Contribution to state governed Provident Fund</td> <td style="text-align: right;">413358</td> <td style="text-align: right;">345214</td> </tr> <tr> <td>Employers Contribution to state governed Pension Schemes</td> <td style="text-align: right;">592593</td> <td style="text-align: right;">493046</td> </tr> <tr> <td>Employers Contribution to state governed Employees State Insurance</td> <td style="text-align: right;">548374</td> <td style="text-align: right;">469119</td> </tr> </tbody> </table> <p>b) <b>Defined benefit plan/ Long Term Compensated Absences.</b> The company's Employees Gratuity Fund Scheme managed by the LIC of India is a defined plan. The present value of obligation based on actuarial valuation using the Projected Unit Credit Method is not determined and any effect thereof will be provided / accounted as and when finalized.</p> <p>c) <b>Compensated Absences</b> The company has provided for the leave encashment liability at the balance sheet date based on permissible accumulated leave balance of the employees at the last salary drawn. Liability as per actuarial valuation is not determined and any effect thereof will be provided / accounted as and when finalized. <b>The company has no defined benefit plan for this purpose as yet.</b></p>		Rs. FY- 12	Rs. FY- 11	Employers Contribution to state governed Provident Fund	413358	345214	Employers Contribution to state governed Pension Schemes	592593	493046	Employers Contribution to state governed Employees State Insurance	548374	469119
	Rs. FY- 12	Rs. FY- 11											
Employers Contribution to state governed Provident Fund	413358	345214											
Employers Contribution to state governed Pension Schemes	592593	493046											
Employers Contribution to state governed Employees State Insurance	548374	469119											
8	<p><b>Amounts not provided for</b></p> <p>a) Import against DALC for Rs NIL for purchase of raw materials (previous year Rs NIL).</p> <p>b) On account of claims by two ex-employees amounting to Rs. 0.37 lacs and Rs. 2.97 lacs which the company is contesting before the appropriate authority and is of the view that the claim will not sustain.</p> <p>c) A charge sheet has been filed in the JMFC, XVth Court, Aurangabad by the MIDC CIDCO Police Station, Aurangabad against the erstwhile Technical Director, N. K. Chatterjee and two other ex-employees of the company for the misappropriation of funds carried out by them during their tenure of employment with the company in FY 03 - 04. The company has also filed a suit in the City Civil Court at Aurangabad claiming an amount of Rs 72 lacs from N.K. Chatterjee for the amounts misappropriated. The amounts so misappropriated will be accounted for in the year of recovery. As a counter blast to the FIR, the said ex-employee N. K. Chatterjee has made a claim of Rs. 50 lacs in FY 04 - 05 for his alleged terminal dues in the City Civil Court, Aurangabad which is being contested by the company.</p> <p>d) On account of penalty of Rs 1.75 lacs imposed by SEBI which is represented by the company for remission/ waiver.</p> <p>e) On account of additional custom duty demand of Rs. 7,13,812/- on a CNC machine imported in FY 07 - 08 which had been contested in appeal before the Commissioner of Customs (Appeal) and Rs. 2,00,500/- has been paid as advance against the same.</p>												

9	<p><b>Realisable value</b> In the opinion of the Board, all assets other than fixed assets have a realisable value in the ordinary course of business which is not less than the amount at which it is stated.</p>												
10	<p>The company is not required to have a Qualified Company Secretary in view of Section 383A of Companies Act, 1956.</p>												
11	<p><b>Confirmation of Balances</b> The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation</p>												
12	<p><b>Related Party Disclosures</b></p> <p>a) <b>Related Party and their Relationship</b></p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Subsidiaries</td> <td style="width: 5%; text-align: center;">:</td> <td>NIL</td> </tr> <tr> <td>Associates</td> <td style="text-align: center;">:</td> <td>Jainex Foods Private Limited Jainex Limited Jainex Imports &amp; Exports Private Limited Dugar Brothers &amp; Company</td> </tr> <tr> <td>Key Management Personnel</td> <td style="text-align: center;">:</td> <td>Mr. B. S. Dugar (Chairman) Mr. R. Mazumdar (MD) Mr. M. Z. Kothari (Jt. MD) Mr. Rahul Dugar (D)</td> </tr> <tr> <td>Relatives of Key Management Personnel</td> <td style="text-align: center;">:</td> <td></td> </tr> </table>	Subsidiaries	:	NIL	Associates	:	Jainex Foods Private Limited Jainex Limited Jainex Imports & Exports Private Limited Dugar Brothers & Company	Key Management Personnel	:	Mr. B. S. Dugar (Chairman) Mr. R. Mazumdar (MD) Mr. M. Z. Kothari (Jt. MD) Mr. Rahul Dugar (D)	Relatives of Key Management Personnel	:	
Subsidiaries	:	NIL											
Associates	:	Jainex Foods Private Limited Jainex Limited Jainex Imports & Exports Private Limited Dugar Brothers & Company											
Key Management Personnel	:	Mr. B. S. Dugar (Chairman) Mr. R. Mazumdar (MD) Mr. M. Z. Kothari (Jt. MD) Mr. Rahul Dugar (D)											
Relatives of Key Management Personnel	:												

**JAINEX AAMCOL LIMITED**

**Notes forming part of the Accounts (Contd.)**

b)	Transactions with Related Party	Nature	Amount	Amount
			31.03.2012	31.03.2011
	Subsidiaries :	-	Nil	Nil
	Associates/Directors :	Sitting Fees to Directors	Nil	Nil
		Interest to Director	161250	140000
		Payments to Body Corporates		
		Interest purchases	521250	194375
			0	52655
		Interest to Relatives of Directors	Nil	Nil
		Reimbursement of Exp. to Directors	Nil	Nil
		Payment to a Firm	Nil	10000
		Interest Purchases	Nil	Nil
		consultancy fees	Nil	Nil
	Key Management Personnel :	Directors		
		Salary, Allowances, Rent etc.	2305164	2082968
	Relatives of Key Management Personnel :		Nil	Nil
13	<b>Disclosure as required by Clause 32 of listing Agreement.</b>			
	Amount of Loans/Advances in nature of loans outstanding from Subsidiaries and Associates during the year			
	Subsidiaries :		NIL	NIL
	Associates :		NIL	NIL
	Key Management Personnel :		NIL	NIL
	Relatives of Key Management Personnel :		NIL	NIL
14	Figures for previous year have been rearranged/regrouped wherever necessary.			
15	Balance Sheet and Statement of Profit & Loss are drwan as per notification No. S.O. 447 (E) dt.28.02.2011 on revised Schedule VI to the Companies Act. 1956.			

As per our report of even date attached.

**For R. A. SINGH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(R.A.SINGH)**  
PROPRIETOR

Membership No. : 014098  
Firm Reg. No.: 110271W  
Place :- Mumbai  
Dated :- 31st July, 2012

**(R. Mazumdar)**  
Managing Director

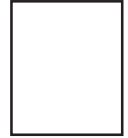
**(Rahul Dugar)**  
Director

**MEMBERS ARE REQUESTED TO CLEARLY MENTION THE FOLIO NO. ALLOTTED TO THEM (THE FOLIO NO. IS MENTIONED ON ENVELOPE) IN THE REGISTER OF MEMBER OF THE COMANY IN THE PLACE PROVIDED**

**FOR  
JAINEX AAMCOL LIMITED  
PROXY**

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member(s)  
Folio No. \_\_\_\_\_ of the abovenamed company hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her  
\_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my/our Proxy in my/our  
absence to attend and to vote for me / us on my / our behalf at the 64th  
Annual General Meeting of the Company to be held at 3.00 P.M. on Saturday,  
the 29th September 2012.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.



Signature of Member

- Notes : 1. The Proxy to be valid should be deposited at the Registered Office of the Company at 405 & 406, Sharda Chambers, 15, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai - 400 020. (Maharashtra) not later than 12.00 noon on 27th Sep. 2012.  
2. The Proxy should be executed on 1 Rupee Revenue Stamp.  
3. The Proxy need not be a Member.

**JAINEX AAMCOL LIMITED**

Registered Office : 405 & 406, Sharda Chambers, 15, Sir Vitthaladas Thackersey Marg, New Marine Lines, Mumbai - 400 020. (Maharashtra)

**ATTENDANCE SLIP**

Please Complete this attendance slip and hand it over at the entrance.

Name of the Member  
Folio No.

I hereby record my presence at the 64th Annual General Meeting held at Mumbai on Saturday, 29th September 2012 at 3.00 P. M. at Kilachand Conference Room, Indian Merchants Chamber, Indian Merchant Chamber Marg, Churchgate, Mumbai 400 020.

Signature Member or Proxy