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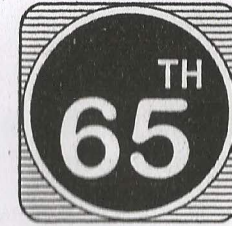
To,

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

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

2013



ANNUAL REPORT

AND

ACCOUNTS

JAINEX AAMCOL LIMITED

JAINEX AAMCOL LIMITED

Board of Directors

Bhagat Singh Dugar

R. Mazumdar

Rahul Dugar

Mohan Z. Kothari

Bankers

Bank of India

Auditors

R. A. SINGH & ASSOCIATES

Chartered Accountants,

Mumbai

Registered Office

405 & 406, Sharda Chambers,
15, Sir Vitthalaldas 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

Scrip Code (BSE)

505212

JAINEX AAMCOL LIMITED

NOTICE

Notice is hereby given that the 65th 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 Thursday, the 5th day of, September, 2013 at 12.00 noon 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 31st March 2013 and the reports of Directors and Auditors thereon.
2. To reappoint Shri B.S.Dugar, Chairman who retires by rotation and being eligible offers himself 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".

AS SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolutions :

"RESOLVED that pursuant to the provisions of section of 198, 269, 309,310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 ("Act") approval be and is hereby granted to the re-appointment of Mr. Mohan Z. Kothari as Joint Managing Director (Whole Time Director) of the company for a period of 3 years w.e.f. 01.04.2013 upto and including 31.03.2016."

"RESOLVED FURTHER THAT Mr. M. Z. Kothari in his capacity as Joint Managing Director, be paid remuneration as fixed by the Board, from time to time, within the limits approved by the members as per the details given in the explanatory statements."

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: 31st May, 2013

NOTES:

1. *Register of Members will remain closed from 26th August 2013 to 5th September, 2013 (both days inclusive).*
2. *A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself and proxy need not be a Member of the Company.*
3. *Explanatory Statement under section 173(2) is annexed hereto.*
4. *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.*
5. *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.*

Explanatory Statement under section 173(2) of the Companies Act, 1956.

Item No. 4

The Board has by resolution on 9th April, 2013 re-appointed Mr. Mohan Z. Kothari as Joint Managing Director for a period of 3 years w.e.f 1st April 2013 upto and including 31.03.2016 subject to the approval of the members in the Annual General Meeting.

Mr. Mohan Z. Kothari is a B.E. (Mech) and has over 26 years technical and commercial experience in gear cutting tools. The Board is of the view that his re-appointment as Joint Managing Director will be beneficial to the company at a gross annual salary of Rs. 15,00,000/- inclusive of perquisites. In addition, Mr. Mohanlal Z. Kothari will be entitled to incentive on turnover as set out in the re-appointment letter which can be inspected during office hours (between 10 am to 6 pm – Monday to Friday) at the registered office. Provision for use of telephone at residence for company's business would not be considered as perquisites. Taking into consideration the size of the company, the profile of Mr. Mohan Z. Kothari, the responsibilities entrusted on him and the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in other companies.

The monetary value of the perquisites together with the salary will be within the limits specified in Schedule XIII of the Companies Act, 1956. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

Terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amount payable to the Joint Managing Director in accordance with Schedule XIII of the Companies Act, 1956 or any amendments made hereafter in this regard.

Accordingly, the remuneration payable to Joint Managing Director is recommended for approval of the members.

Mr. Mohan Z. Kothari may be deemed to be interested in the resolution being Joint Managing Director.

JAINEX AAMCOL LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors present their Annual Report together with Audited Accounts of the company for the year ended 31st March, 2013

FINANCE AND ACCOUNTS

	2013 Rs in lacs	2012 Rs in lacs
a) Revenue from operations	1249.63	1361.05
b) Other Income	8.19	12.28
	1257.82	1373.33
Operating Profit (loss) before Extraordinary items and Tax	130.67	215.06
Less : Depreciation	151.61	120.72
Less : Extraordinary items		94.10
Less : Provision for Income Tax (net)		(0.48)
Add/Less: Deferred Tax (credit)	(7.86)	0.56
Profit for the year after tax	(13.08)	0.16
Add : Profit b/f from previous year	10.99	10.83
Balance available for appropriations	(2.09)	10.99
Less : Interest of Dividend Distribution Tax for previous year	-	-
Balance carried to Balance Sheet	(2.09)	10.99

Your Directors have to inform that the due to slow down in automotive industry which has affected turnover of the company by 8% over previous year and stood at Rs 1249.63 lacs against Rs 1361.05 lacs. However exports have increased by 27% to Rs 199.25 lacs. The EBITDA for the year under review is Rs.269.36 lacs as against Rs.340.74 lacs in previous year. The Company is trying to offset the adverse effects of the demand recession in India by increase exports.

Allotment of equity shares at premium

The shares, pursuant to the Order of the Hon'ble Bombay High Court dated December 08, 2011, sanctioning 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; has been allotted during the year under review.

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.

JAINEX AAMCOL LIMITED

COST AUDITORS

The Board of Directors are in the process of appointing a Cost Auditor as required by The Companies (Cost Audit Report) Rules, 2011 and the Cost Audit Order No 52/26/CAB/2010 dated January 24, 2012.

DIRECTORS

Shri Bhagat S.Dugar retires by rotation and being eligible, offers himself for re-appointment. The Directors recommend his re-appointment.

Shri Mohan Z. Kothari, Jt.Managing Director has been re-appointed for a further period of 3 years w.e.f. 1 st April 2013 by the Board of Directors. The notice convening the Annual General Meeting includes the proposals for re-appointment and payment of remuneration to the Jt. Managing Director. The Directors recommend his re-appointment.

EMPLOYEE RELATIONS

Your Directors would also like to place on record their appreciation for the services rendered by all categories of the company's employees.

BANKER

Your Directors would like to place on record their appreciation for the pro-active support and assistance given by the banker, 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:

- In preparation of annual accounts, the applicable accounting standards have been followed save and except those mentioned in the Notes forming part of Accounts.
- 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 loss of the company for that year.
- Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting 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: 31st May, 2013

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. Klingelnberg Verzahntechnik, 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. There is no technical collaboration with any party at present.

Foreign Exchange - Earnings and Outgo

The information on foreign exchange earnings is contained in Note No. 27(3), (4) and (5).



R. A. SINGH & ASSOCIATES

CHARTERED ACCOUNTANTS
FRN 110271W

25, Saibaba Shopping Centre,
Keshavrao Kadam Marg,
Mumbai Central,
Mumbai - 400 008.
Phone: 2300 6009 / 2300 6011

AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of this 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 Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials misstatement.

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by section 227 (3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act:
- e) On the basis of written representations received from the Directors as on 31st March, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as director in terms of section 274(1)(g) of the Act.

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

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

FRN 110271W

Place : Mumbai
Date : 31st May, 2013

Annexure to Independent Auditor's Report

(Referred in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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. 343.19 lacs and the year-end balance of loans taken from such parties was Rs. 314.29 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.

JAINEX AAMCOL LIMITED

(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 was for a part of the year and thereafter the internal audit has been done internally. Such change over has no adverse impact on internal audit system of the company.

(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 yet to be complied with for the year under review.

(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 31.03.2013 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

JAINEX AAMCOL LIMITED

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 has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year but has incurred a loss during the year and therefore has an accumulated loss as at 31.03.2013.

(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 has made preferential allotment on 29.09.2012 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

JAINEX AAMCOL LIMITED

Section 301 of the Companies, Act, 1956 during the year. Since the said allotment is made in pursuance of High Court Order with premium, the shares 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 : 31st May, 2013

JAINEX AAMCOL LIMITED

Balance Sheet as at 31st March, 2013

Sr. No.	Particulars	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
I. EQUITY AND LIABILITIES				
(1)	Shareholder's Funds			
	(a) Share Capital	2	14993940	6993940
	(b) Reserves and Surplus	3	35097885	12603154
			50091825	19597094
(2)	Share Application Money Pending Allotment	4	0	32000000
(3) Non-Current Liabilities				
	(a) Long-Term Borrowings	5	90981245	111985340
	(b) Deferred Tax Liabilities (Net)	6	0	697917
	(c) Long-Term Provisions		389897	389897
			91371142	113073154
(4) Current Liabilities				
	(a) Short-Term Borrowings	7	28645017	28251264
	(b) Trade Payables	8	14913299	16442583
	(c) Other Current Liabilities	9	18464420	13340272
	(d) Short-Term Provisions	10	3544944	3268942
			65567680	61303061
	Total		207030647	225973309
II. ASSETS				
(1)	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	139386151	159612914
	(ii) Intangible Assets		452786	561393
			139838937	160174307
	(b) Long Term Loans and Advances	12	2174564	2013964
	(c) Other Non-Current Assets	13	565993	67946
	(d) Deferred Tax Assets (Net)	6	88096	0
			2828653	2081910
(2)	Current Assets			
	(a) Inventories	14	29290475	29323975
	(b) Trade Receivables	15	28015499	28025997
	(c) Cash and Cash Equivalents	16	4774006	3583049
	(d) Short-Term Loans and Advances	17	1996056	2682469
	(e) Other Current Assets	18	287021	101602
			64363057	63717092
	Total		207030647	225973309

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. Mazumdar)
Managing Director

(R.A.SINGH)
PROPRIETOR

Membership No. : 014098
Firm Reg. No. : 110271W
Place :- Mumbai
Dated :- 31st May, 2013

(Rahul Dugar)
Director

JAINEX AAMCOL LIMITED

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

Sr. No.	Particulars	Note No.	FY 2012-2013 ₹	FY 2011-2012 ₹
I	Revenue from Operations	19	124963197	136104842
II	Other Income	20	818595	1227814
III	Total Revenue		125781792	137332656
IV	Expenses:			
	Cost of Raw Materials Consumed	21(A)	28563264	30787665
	Changes in inventories of finished goods & work-in-progress	21(B)	374826	-1784258
	Employee Benefit Expense	22	27650337	29047193
	Financial Costs	23	13868377	12567879
	Depreciation and Amortization Expense	24	15160897	12072075
	Other Expenses	25	42257511	45208454
	Total Expenses		127875212	127899008
V	Profit before extraordinary items and tax		-2093420	9433648
VI	Extraordinary items	26	0	9410370
VII	Profit before tax		-2093420	23278
VIII	Tax Expense:			
	(1) Current Tax		0	4435
	Less : MAT Credit (Entitlement)		0	-4435
	(2) Current Tax Expense relating to prior years		0	-47893
	(3) Deferred Tax Credit (-)/Debit (+)		-786013	55500
			-786013	7607
IX	Profit for the year		-1307407	15671
X	Earning per equity share:			
	Basic & Dialuted		-0.87	0.02

Accompanying notes forming part of the accounts Note Nos. 19 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 May, 2013

(R. Mazumdar)
Managing Director

(Rahul Dugar)
Director

JAINEX AAMCOL LIMITED

Cash Flow Statement for the year ended 31 March, 2013

Sr. No.	Particulars	FY 2012-2013 ₹	FY 2011-2012 ₹
A.	Cash flow from operating activities		
1	Net Profit / (Loss) before extraordinary items and tax	-2093420	9433648
	Adjustments for:		
	Depreciation and amortisation	14951453	12016329
	Amortisation of share issue expenses	209444	55746
	(Profit) / loss on sale / write off of assets	-294084	-535895
	Finance costs	13868377	12567879
	Interest income	-213181	-118292
2	Operating profit / (loss) before working capital changes	26428589	33419415
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	-33500	3963507
	Trade receivables	-10498	2127558
	Short-term loans and advances	-686413	-10481773
	Long-term loans and advances	160600	-12686198
	Other current assets	185419	88798
		-384392	-16988108
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	-1529284	966304
	Other current liabilities	5124148	1526331
	Short-term provisions	276002	-124844
	Long-term provisions	0	0
		3870866	2367791
	Cash flow from extraordinary items	0	0
	Cash generated from operations	-4255258	-19355899
	Net income tax (paid) / refunds	0	47893
3	Net cash flow from / (used in) operating activities (A)	30683847	52823207
B.	Cash flow from investing activities		
	Capital expenditure on fixed assets, including capital advances	-3022373	-71412440
	Proceeds from sale of fixed assets	8502512	734453
	Interest received	213181	118292
	Cash flow from extraordinary items	0	-9410370
	Net cash flow from / (used in) investing activities (B)	5693320	-79970065

JAINEX AAMCOL LIMITED

Cash Flow Statement for the year ended 31 March, 2013

Sr. No.	Particulars	FY 2012-2013 ₹	FY 2011-2012 ₹
C.	Cash flow from financing activities		
	Share application money received	0	32000000
	Proceeds from long-term borrowings	-21004095	1207435
	Expenses on issue of shares	-707491	0
	Net increase / (decrease) in working capital borrowings	1707501	6448787
	Proceeds from other short-term borrowings	-1313748	2728542
	Finance cost	-13868377	-12567879
	Net cash flow from / (used in) financing activities (C)	-35186210	29816885
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1190957	2670027
	Cash and cash equivalents at the beginning of the year	3583049	913022
	Cash and cash equivalents at the end of the year (Refer Note 15)	4774006	3583049
	Reconciliation of Cash and cash equivalents with the Balance		
	Cash and cash equivalents as per Balance Sheet (Refer Note 15)	4774006	3583049
	* Comprises:		
a)	Cash on hand	79699	72668
b)	Balances with banks		
	(i) In current accounts	2624307	1440381
	(ii) In earmarked accounts	2070000	2070000
		4774006	3583049
	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.		

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 May, 2013

(R. Mazumdar)
Managing Director

(Rahul Dugar)
Director

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

1. 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, educationcess, 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.)

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Sr. No.	Particulars
1.8	<p>DEPRECIATION (AS-6)</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 and fixed assets not put to use / under return.</p>
1.9	<p>TANGIBLE/INTANGIBLE FIXED ASSETS (AS-10)</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 & 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. 339.21 lacs (Rs. 343.82 lacs) and Rs. 59.09 lacs (Rs. 61.07 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 & Loss Account.</p> <p>b) Leasehold land is shown at revalued cost.</p>
1.10	<p>TRANSACTION OF FOREIGN CURRENCY ITEMS (AS-11)</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 & loss account with regard to revenue items. Similarly FX gain or loss arising on account of capital items are debited / credited to capex items.</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.)

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Sr. No.	Particulars
1.11	<p>EMPLOYEE BENEFITS (AS-15 Revised)</p> <p>a) Defined Contribution Plan 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) Defined benefit plan/ Long Term Compensated Absences. 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) Compensated Absences 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>BORROWING COST (AS-16)</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>LEASES (AS-19)</p> <p>Leasehold land comprising only on account of revaluation is amortized over the period of lease.</p>
1.14	<p>TAXES ON INCOME (AS-22)</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>DISCONTINUING OPERATIONS (AS-24)</p> <p>The Company has discontinued the operations in respect of Broaches during the year but has continued its major operations.</p>

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Sr. No.	Particulars
1.16	IMPAIRMENT OF ASSETS (AS-28) a) Impairment of assets has been recognized and losses if any has been charged to Profit & Loss account. b) As of each balance sheet date, the carrying amount of assets is tested for impairment so as to determine - i. the provision for impairment loss, if any, required, or ii. the reversal, if any, required or impairment has recognized in previous year.
1.17	PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29) a) The provisions are recognised and measured by using a substantial degree of estimation. b) Contingent liabilities and contingent assets are disclosed after a careful evaluation of the facts and legal aspects of the matter involved in issue.
1.18	BUSINESS SEGMENT The company operates in a business segment viz. Gear Cutting, Special Cutting Tools and Spline Gauges and is considered single segment operations.
1.19	EARNINGS PER SHARE (AS - 20) 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.

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	NOTE NO: 2 SHARE CAPITAL		
a)	Authorised 30,00,000 (30,00,000) Equity Shares of Rs. 10/- each.	30000000	30000000
b)	Issued, Subscribed & Paid up 14,96,338 (6,96,338) Equity Shares of Rs. 10/- each fully paid up	14963380	6963380
	Less : Calls in Arrears from others	3595	3595
		14959785	6959785
	Add : Forfeited Shares 13,662 (13,662) Shares of Rs. 2.50 each	34155	34155
		14993940	6993940
c)	Reconciliation of number of shares Shares at the beginning of the year Add :- Shares issued during the year Less :- Buy back of shares/Reduction in share capital Outstanding shares at the year end	696338 800000 0 1496338	696338 0 0 696338
d)	Shares held by each shareholder holding more than 5% of the shares		
		31.03.2013	31.03.2012
		Nos. of Shares	Nos. of Shares
		% of hodling	% of hodling
	1 Jainex Foods Private Ltd	577956	38.62%
	2 Bhagat Singh Dugar	210900	14.09%
	3 Rahul Bhagat Dugar	95250	6.37%
	4 Madhu Bhagat Dugar	56400	3.77%
	5 Ronojoy Mazumdar	53495	3.58%
	6 Purushottam Singi	50000	3.34%
	7 Pushpa Garg	43546	2.91%
	8 General Insurance Corpn. of India	37125	2.48%
		53456	7.68%
		50600	7.27%
		53500	7.68%
		56400	8.10%
		49120	7.05%
		52700	7.57%
		43546	6.25%
		37125	5.33%

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	NOTE NO: 2 SHARE CAPITAL- Contd.		
e)	Following details during the period from 01.04.2008 to 31.03.2013		
ia.	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
ib.	issued and allotted 8,00,000 equity shares of face value Rs. 10 each at a premium of Rs. 30 per share as preferential allotment pursuant to H'ble Bombay High Court Order Dated 08.12.2011 - allotted on 29.09.2012.	800000	0
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
		950000	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
	NOTE NO: 3 RESERVE & SURPLUS		
a)	<u>Capital Reserve</u> As per last Balance Sheet	1500000	1500000
b)	<u>Capital Redemption Reserve</u> As per last Balance Sheet	3897400	3897400
c)	<u>Share Premium Account (on Preferential Allotment)</u>	24000000	0
d)	<u>Revaluation Reserve</u> As per last Balance Sheet Less : Debit for depreciation on revalued portion Less: Effect on account of sale of revalued machinery Closing Balance	6107139 197862 0 5909277	7217127 1109988 0 6107139
e)	<u>Surplus - Profit & Loss account</u> As per last Balance Sheet Add : Net Profit/(Net Loss) for the current year Closing Balance	1098615 -1307407 -208792 35097885	1082944 15671 1098615 12603154

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	NOTE NO: 4 SHARE APPLICATION MONEY SINCE ALLOTTED		
	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 preferential allotment has been done after payment of stamp duty during the year.	0	32000000
	NOTE NO: 5 LONG TERM BORROWINGS (Secured)		
	<u>From Bank of India</u>		
a	Rupee Term Loans	48124911	37584014
b	Capex LCs - Acceptances	12672188	42475645
		60797099	80059659
c	Car Loan	140849	291666
		60937948	80351325
	Nature of Security and terms of repayment for Long Term secured borrowings:		
TL	Nature of Security	Term of Repayments	
II	Term Loan of ₹ 4.28 Lacs (Previous Year ₹ 21.72 Lacs)	Repayable in 22 Quarterly Instalments starting from 31.03.09. Last Instalment due on 30.06.15	
III	Term Loan of ₹ 39.39 Lacs (Previous Year ₹ 59.44 Lacs)	Repayable in 24 Quarterly Instalments starting from 01.04.10. Last Instalment due on 31.03.16.	
IV	Term Loan of ₹ 150.00 Lacs (Previous Year ₹ 230.00Lacs)	Repayable in 21 Quarterly Instalments starting from 31.03.11. Last Instalment due on 31.03.16.	
V	Term Loan of ₹ 4.75 Lacs (Previous Year ₹ 24.15Lacs)	Repayable in 21 Quarterly Instalments starting from 30.06.09. Last Instalment due on 30.06.14.	
VI	Term Loan of ₹ 105.00 Lacs (Previous Year 90.12 under DA-Capex LC 360 days due on 27.06.12)	Repayable in 24 Quarterly Instalments starting from 31.03.2012. Last Instalment due on 31.12.2017.	
VII	Term Loan of ₹ 337.38 Lacs including under DA-Capex LC 720 days ₹ 126.72 Lacs (Previous Year Term Loan of ₹ 375.15 Lacs incl. under DA-Capex LC 720 days 334.63)	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 14.75% p.a. previous year 14.25 % p.a.	
	Car Loan of Rs. 1.41 Lacs (Previous Year Rs. 2.92 Lacs) is secured against Tata Indigo Motor Car.	Repayable in 36 EMI starting from 31.12.2011. Last Instalment due on 30.11.2014.	

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	(Unsecured)		
d	Loans & Advances from related parties	30028795	31605011
e	Other Loans & Advances		
	Sales Tax Loan from Govt. of Maharashtra Repayable on 1-2-2015 (interest free)	14502	29004
	Total (c to d)	30043297	31634015
	Total (a to d)	90981245	111985340
	NOTE NO: 6 DEFERRED TAX LIABILITY		
	Tax effect on items constituting deferred tax liability On difference between book balance and tax balance of fixed assets.	14457813	14296270
	Tax effect on items constituting deferred tax assets		
	Leave Encashment	205421	163729
	Preliminary Expenses	174892	20995
	Unabsorbed depreciation	14165596	13413629
		14545909	13598353
	Net deferred tax liability (a-b)	-88096	697917
	NOTE NO: 7 SHORT TERM BORROWINGS		
1	Secured		
	Loans repayable on demand From Bank of India		
a	Cash Credit Account	24026145	23010084
b	Packing Credit Account	3204078	2512638
		27230223	25522722
	(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 acquired under Term Loans / FLCs from Bank of India.		
2	Un-secured		
a	Loans & Advances from related parties	1400292	2714040
b	Others		
	Sales Tax Loan from Govt. of Maharashtra	14502	14502
		1414794	2728542
		28645017	28251264

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	NOTE NO: 8 TRADE PAYABLES		
a	Other than Acceptances		
	For Materials/Goods	11383449	12293701
	For Expenses	3529850	4148882
		14913299	16442583
	Sundry Creditors due to Micro and SMEs exceeding Rs. 1 lkh.	N.A.	N.A.
	NOTE NO: 9 OTHER CURRENT LIABILITIES		
	Current maturities of long-term debt (Secured)		
	From Bank of India		
a	Term Loans	14972593	10934000
b	Car Loan	150229	150229
	Refer Note No: -4- Long Term Borrowings for details of securities.	15122822	11084229
	Others Payables		
c	Statutory dues	1451525	1687316
d	Capital Creditors	101459	71094
e	Advance/ credit balance of Customers	1788614	497633
		18464420	13340272
	NOTE NO: 10 SHORT TERM PROVISIONS		
a	Provision for Employee Benefits		
1	Salary & Reimbursements	2776729	2638896
2	Contribution to PF	103421	100180
3	Leave Encashment	664794	529866
		3544944	3268942
b	Provision for Taxation		
1	Income Tax	0	0
		3544944	3268942

Notes forming part of the Accounts (Contd.)

NOTE No. - 11 - FIXED ASSETS

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		Value as at 01.04.2012	Additions	Deductions	As at 31.03.2013	Upto 31.03.2012	For the year	Deductions	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
I	Tangible Assets										
A.	Leasehold Land	5338777	0	0	5338777	1210776	73714	0	1284490	4054287	4128001
B.	Factory & Office Building	8732191	0	0	8732191	3499576	291655	0	3791231	4940960	5232615
C.	Plant and Equipment	22709042	2977440	9022818	221033664	83567603	12508617	814390	95261830	125771834	143511439
D.	Office Equipment	914484	0	0	914484	454700	41102	0	495802	418682	459784
E.	Furnitures & Fixtures	5816505	0	0	5816505	2011067	359133	0	2370200	3446305	3805438
F.	Vehicles	1184921	0	0	1184921	517579	172775	0	690354	494567	667342
G.	Computer	9869029	44933	0	9913962	8060734	1593712	0	9654446	259516	1808295
	SUB TOTAL (I)	258934949	3022373	9022818	252934504	99322035	15040708	814390	113548353	139386151	159612914
II.	Intangible Assets										
1	Computer Software	670000	0	0	670000	108607	108607	0	217214	452786	561393
	SUB TOTAL (II)	670000	0	0	670000	108607	108607	0	217214	452786	561393
	Total (I + II) (Current Year)	259604949	3022373	9022818	253604504	99430642	15149315	814390	113765567	139838937	160174307
	(Previous Year)	189447403	71412440	1254834	259604949	87360661	13126317	1056336	99430642	160174307	

Note :

1. The Gross Block of Fixed Assets as at 31.03.2013 include Rs. 339.21 lacs (p. y. Rs. 343.82) (net of sale of half land at Aurangabad during the financial year FY 03 and machinery in FY 13) 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 ₹ 280.12 lacs (net of adjustment/deduction on account of sale of land)

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

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	NOTE NO: 12 LONG TERM LOANS AND ADVANCES		
a	Security Deposits		
	Un-secured, considered good	583640	423040
b	Deposit for Customs' Appeal - Capital item	200500	200500
c	MAT Credit Entitlements	1390424	1390424
		2174564	2013964
	NOTE NO: 13 OTHER NON CURRENT ASSETS		
	Pre-liminary Expenses	565993	67946
	NOTE NO: 14 INVENTORIES		
a	Raw Materials At Cost	14953562	14966232
	Goods in Transit At Cost	878149	391559
		15831711	15357791
b	Work-in-Progress At Cost	2772596	2683244
c	Finished Goods Internally Manufactured At Cost or Realisable value whichever is lower	6744472	6676265
d	Stores & Spares At Cost	2456778	2079440
e	Loose Tools At Cost	500390	570365
f	Machinery Spares At Cost	879913	1319870
g	Scraps At Realisable value	104615	637000
		29290475	29323975

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
	NOTE NO: 15 TRADE RECEIVABLES		
a	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	799413	1463497
	Unsecured, considered doubtful	0	0
		799413	1463497
b	Outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	27216086	26562500
	Unsecured, considered doubtful	0	0
		27216086	26562500
		28015499	28025997
	NOTE NO: 16 CASH AND CASH EQUIVALENTS		
	Cash and Cash Equilant		
i	Cash on Hand	79699	72668
ii	Balances with Banks		
	In Current Accounts	2624307	1440381
iii	Other Bank Balances		
	In earmarked deposit for BG margin	2070000	2070000
		4774006	3583049
	NOTE NO: 17 SHORT TERM LOANS AND ADVANCES		
a	Loans and advances to Employees	64123	36277
b	Prepaid Expenses	191123	195838
c	Balances with Govt Authorities		
	Balance with Excise Authorises	290098	366306
	Balance with Income Tax Authorises	1024497	944107
		1314595	1310413
d	Other loans and advances		
		426215	1139941
		1996056	2682469
	NOTE NO: 18 OTHER CURRENT ASSETS		
	Interest Accrued on TDR/MSEB Deposit	287021	101602
		287021	101602

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 12-13 ₹	FY - 11-12 ₹
	NOTE NO: 19 REVENUE FROM OPERATIONS		
a)	SALES		
	Gear Hobs	83811601	100192754
	Milling Cutters	14031124	11093786
	Spline Gauges	11346821	8110113
	Broaches	0	257154
		109189546	119653807
	Less : Sales Return		
	Gear Hobs	1108427	858220
	Cuttters	401400	231939
	Spline Gauges	219871	84113
		1729698	1174272
		107459848	118479535
	Add: Central Excise Duty & ED. Cess Collected	10946728	10811315
	Gross Sales	118406576	129290850
b)	Other Operating Revenues		
	Job Work Charges	4482751	4935866
	Add :Service Tax collected on Job Work	539609	493798
	Scrap /Misc. Sales	1534261	1384328
		6556621	6813992
	Total (a+ b)	124963197	136104842
	NOTE NO: 20 OTHER INCOME		
	Profit on Sales of Fixed Assets	115457	535895
	FX Gain on Return of Machinery (net of expenses)	178627	0
	Misc. Receipts/write-off(net)	31032	360057
	Interest Received	213181	112692
	Interest on Income Tax Refund	0	5600
	Net Gain on Foreign Currency Transactions and Translations	131779	213570
	Bad Debit Recovered	148519	0
		818595	1227814

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 12-13 ₹	FY - 11-12 ₹																																			
	NOTE NO: 21 COST OF RAW MATERIALS CONSUMED																																					
A.	Cost of Raw Material Consumed																																					
	Inventory at the beginning of the year	15357791	14008818																																			
	Add : Purchase (net of returns, cenvat + freight & octroi)	29037184	32136638																																			
	Less : Inventory at the end of the year	15831711	15357791																																			
		28563264	30787665																																			
	Details of Raw Material Consumption																																					
	<table border="1" style="font-size: small; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%;">12-13 Qty in MT</th> <th style="width: 10%;">11-12 Qty in MT</th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>a) Import</td> <td style="text-align: center;">3086</td> <td style="text-align: center;">6341</td> <td style="text-align: right;">3799537</td> <td style="text-align: right;">6211411</td> </tr> <tr> <td></td> <td style="text-align: center;">12.15%</td> <td style="text-align: center;">22.79%</td> <td style="text-align: right;">13.30%</td> <td style="text-align: right;">20.17%</td> </tr> <tr> <td>c) Indigenous/ Local purchase</td> <td style="text-align: center;">22311</td> <td style="text-align: center;">21481</td> <td style="text-align: right;">24763728</td> <td style="text-align: right;">24576254</td> </tr> <tr> <td></td> <td style="text-align: center;">87.85%</td> <td style="text-align: center;">77.21%</td> <td style="text-align: right;">86.70%</td> <td style="text-align: right;">79.83%</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">25397</td> <td style="text-align: center; border-top: 1px solid black;">27822</td> <td style="text-align: right; border-top: 1px solid black;">28563265</td> <td style="text-align: right; border-top: 1px solid black;">30787665</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">100.00%</td> <td style="text-align: center; border-top: 1px solid black;">100.00%</td> <td style="text-align: right; border-top: 1px solid black;">100.00%</td> <td style="text-align: right; border-top: 1px solid black;">100.00%</td> </tr> </tbody> </table>		12-13 Qty in MT	11-12 Qty in MT			a) Import	3086	6341	3799537	6211411		12.15%	22.79%	13.30%	20.17%	c) Indigenous/ Local purchase	22311	21481	24763728	24576254		87.85%	77.21%	86.70%	79.83%		25397	27822	28563265	30787665		100.00%	100.00%	100.00%	100.00%		
	12-13 Qty in MT	11-12 Qty in MT																																				
a) Import	3086	6341	3799537	6211411																																		
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	100.00%	100.00%	100.00%	100.00%																																		
B.	Changes in Inventories																																					
a	Inventories at the end of the year:																																					
	Finished Goods	6744472	6676265																																			
	Work-in-Progress	2772596	2683244																																			
	Scrap	104615	637000																																			
		9621683	9996509																																			
b	Inventories at the beginning of the year:																																					
	Finished Goods	6676265	3490033																																			
	Work-in-Progress	2683244	4722218																																			
	Scrap	637000	0																																			
		9996509	8212251																																			
	Net (Increase)/Decrease	374826	-1784258																																			
	NOTE NO: 22 EMPLOYEE BENEFITS EXPENSE																																					
a	Salaries, Wages & Allowances	24309823	25821771																																			
b	Contribution to Provident and Other Funds	1265108	1140361																																			
c	Gratuity Fund Contribution	348268	307326																																			
d	Staff Welfare Expenses	1727138	1777736																																			
		27650337	29047193																																			

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 12-13 ₹	FY - 11-12 ₹
	NOTE NO: 23 FINANCE COST		
a)	Interest expense on:		
	Borrowings from Bank	13065342	11098188
	Borrowings from Others	283021	690785
b)	Other borrowing costs	520014	778906
		13868377	12567879
	NOTE NO: 24 DEPRECIATION AND AMORTIZATION EXPENSE		
	Depreciation	15149315	13126317
	Less : Transferred from Revaluation Reserve	197862	1109988
		14951453	12016329
	Preliminary Expenses W/off	209444	55746
		15160897	12072075
	NOTE NO: 25 OTHER EXPENSES		
a	Manufacturing Expenses		
	Consumption of Stores Etc	3004753	2900361
	Consumption of Tools and Spares	741133	857824
	Consumption of Packing Materials	657985	520521
	Excise Duty	10965643	10855423
	Service Tax	539611	503015
	Increase /(decrease) of Excise Duty on Finished Goods	7503	408508
	Labour Charges (Mfg.)	4032925	3782443
	Power and Fuel	4453290	4395756
	Repairs and Maintenance - Buildings	0	639177
	Repairs and Maintenance - Machinery	920511	2330546
		25323354	27193574
b	Administrative & Other Expenses		
	Travelling and Conveyance	2055954	2831754
	Sales Commission	5890447	6361291
	Consignment Expenses	2056756	1843867
	Legal and Professional	2364908	2525830
	Miscellaneous Expenses	4566092	4452138
		16934157	18014880
	Total	42257511	45208454
	NOTE NO: 26 Extraordinary items		
	Advances paid for Capital Items and related legal expense	0	9410370
	(Net of recovery) - Written off		

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 12-13 ₹	FY - 11-12 ₹
	NOTE NO: 27 ADDITIONAL INFORMATION		
1	CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)		
a)	Contingent Liabilities		
	(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	1800000
	(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)	23400000	29400000
		25200000	31200000
b)	Commitments		
	(i) Commitment pending on capital accounts - net of advance	Nil	Nil
	(ii) Uncalled liability on shares and other investments partly paid	Nil	Nil
	(iii) Other commitments (specify nature)	Nil	Nil
		0	0
		25200000	31200000
2	Payment to Auditors		
	a) As Auditor	40000	40000
	b) For Tax Audit Fees	10000	10000
	c) For Taxation & Other Matters	35000	35000
	d) For Banking Matters	0	50000
	e) Service Tax	10506	14935
		95506	149935

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

Sr. No.	Particulars	FY - 12-13 ₹	FY - 11-12 ₹
3	CIF Value of Imports		
	i. Raw Materials;	5836147	3787682
	ii. Components and Spare Parts;	49410	1363283
	iii. Capital Goods;	146535	60896200
		6032092	66047165
4	Expenditure in Foreign Currency		
	Travelling	103751	372135
	Professional and Consultation Fees	0	0
5	Earning in Foreign Exchange		
	Export of goods calculated on FOB basis	19924994	15698515
6	Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share": (In Rupees)		
	Profit after Tax	-1307407	15671
	Number of shares subscribed	1496338	696338
	Basic & Diluted EPS	-0.87	0.02
7	The Disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are given below.		
	a) Defined Contribution Plan		
	Contribution to Defined Contribution Plan, recognised are charged off for the year are as under.	Rs.	Rs.
		FY- 13	FY- 12
	Employers Contribution to state governed Provident Fund	450832	413358
	Employers Contribution to state governed Pension Schemes	670238	592593
	Employers Contribution to state governed Employees State Insurance	511550	548374
	b) Defined benefit plan/ Long Term Compensated Absences.		
	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.		
	c) Compensated Absences		
	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.		

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

8	Amounts not provided for												
	<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	Realisable value 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.												
10	The company is not required to have a Qualified Company Secretary in view of Section 383A of Companies Act, 1956.												
11	Confirmation of Balances The balances of trade receivables, trade payables, unsecured loans and loans and advances are subject to confirmation												
12	Related Party Disclosures												
a)	Related Party and their Relationship												
	<table border="0"> <tr> <td>Subsidiaries</td> <td>:</td> <td>NIL</td> </tr> <tr> <td>Associates</td> <td>:</td> <td>Jainex Foods Private Limited Jainex Limited Jainex Imports & Exports Private Limited Dugar Brothers & Company</td> </tr> <tr> <td>Key Management Personnel</td> <td>:</td> <td>Mr. B. S. Dugar (Chairman) Mr. R. Mazumdar (MD) Mr. M. Z. Kothari (Jt. MD)</td> </tr> <tr> <td>Relatives of Key Management Personnel</td> <td>:</td> <td>NIL</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)	Relatives of Key Management Personnel	:	NIL
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)											
Relatives of Key Management Personnel	:	NIL											

JAINEX AAMCOL LIMITED

Notes forming part of the Accounts (Contd.)

b)	Transactions with Related Party	Nature	Amount	
			31.03.2013	31.03.2012
	Subsidiaries		Nil	Nil
	Associates/Directors	Sitting Fees to Directors	Nil	Nil
		Interest to Director	Nil	161250
		Payments to Body Corporates		
		Interest purchases	283021	521250
			0	0
		Interest to Relatives of Directors	Nil	Nil
		Reimbursement of Exp. to Directors	Nil	Nil
		Payment to a Firm		
		Interest	Nil	Nil
		Purchases	Nil	Nil
		consultancy fees	Nil	Nil
	Key Management Personnel	Directors Salary, Allowances, Rent etc.	2263564	2305164
	Relatives of Key Management Personnel		Nil	Nil
13	Disclosure as required by Clause 32 of listing Agreement.			
	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.			

As per our report of even date attached.

For R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS

(R. Mazumdar)
Managing Director

(R.A.SINGH)
PROPRIETOR

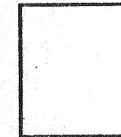
Membership No. : 014098
Firm Reg. No.: 110271W
Place :- Mumbai
Dated :- 31st May, 2013

(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 COMPANY 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 65th
Annual General Meeting of the Company to be held at 12.00 noon on
Thursday, the 5th September 2013.

Signed this _____ day of _____ 2013.



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 Vitthaldas
Thackersey Marg, New Marine Lines, Mumbai - 400 020. (Maharashtra)
not later than 12.00 noon on 3rd Sep. 2013.
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 Vitthaldas 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 65th Annual General Meeting held at Mumbai
on Thursday, 5th September 2013 at 12 noon at Kilachand Conference Room, Indian
Merchants Chamber, Indian Merchant Chamber Marg, Churchgate, Mumbai 400 020.

Signature Member or Proxy