

2009



**ANNUAL REPORT
AND
ACCOUNTS**

JAINEX AAMCOL LIMITED

JAINEX AAMCOL LIMITED

Board of Directors

Bhagat Singh Dugar	-	Chairman
R. Mazumdar	-	Managing Director
Mohan Z. Kothari	-	Jt. Managing Director
Rahul Dugar	-	Wholetime Director
K. J. Lokhande	-	Non Executive Director

Bankers

Bank of India

Auditors

R. A. SINGH & ASSOCIATES
Chartered Accountants,
Mumbai.

Registered Office

1 & 2, Broach Sadan, Broach Street,
Devji Ratansi Marg, Masjid Bunder,
Mumbai - 400 009. (Maharashtra)

Factory

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

Registrar and Share Transfer Agent

M/s. 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

NOTICE

Notice is hereby given that the 61st 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 Wednesday, the 30th, September, 2009 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 31st March 2009 and the reports of Directors and Auditors thereon.
2. To re-appoint Shri K. Lokhande, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting. Messrs R. A. Singh & Associates, Chartered Accountants retire at this Annual General Meeting and being eligible, are entitled for re-appointment at a remuneration to be mutually agreed between the Directors of the company and the Auditors.

AS SPECIAL BUSINESS:

5. **To consider and if thought fit to pass with or without modification/s the following resolution /s as Special Resolution.**

“RESOLVED THAT the company do issue and allot under section 81 and other enabling provisions of the Companies Act, 1956, SEBI Act and

JAINEX AAMCOL LIMITED

guidelines to the promoters; equity shares of Rs. 10 each at a premium of Rs. 30 (rupees thirty) per share subject to the approval of SEBI/BSE and other authorities as necessary.

BY ORDER OF THE BOARD

(R. MAZUMDAR)
MANAGING DIRECTOR

REGISTERED OFFICE

Broach Sadan,
Broach Street,
Devji Ratansey Marg,
Masjid Bunder,
Mumbai – 400 009.
Maharashtra.

PLACE: MUMBAI

DATED : 17 th August, 2009

NOTES:

1. Register of Members will remain closed from 25th September 2009 to 30th September, 2009 (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.

JAINEX AAMCOL LIMITED

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

Item No. 3

In order to upgrade and keep abreast with the latest technology, the company had made investments in the state of the art machines at a cost of approx Rs. 10 crores during last three years. This had been financed by term loans/capex LCs of Rs. 5.80 crores and balance as unsecured loan from the promoters which were to be repaid in three years. However, the sales and the production of the company have decreased sharply due to the global meltdown in all sectors specially in the automotive sector. Consequently, the company is not in a position to generate revenue to repay the unsecured loans from the promoters. In the circumstances, the company had approached the promoters with the request to convert the unsecured loans into equity at a premium of Rs. 30 per share. The promoters have agreed to the aforesaid proposal. Accordingly, the special resolution as set-out in the agenda is recommended for approval by the shareholders subject however to the approval of SEBI/BSE or any other authorities.

Directors viz. Mr. B. S. Dugar, Mr. Rahul Dugar and Mr. R. Mazumdar are concerned or interested in the resolution to the extent the proposed issue and allotment relates to them.

BY ORDER OF THE BOARD

**(R. MAZUMDAR)
MANAGING DIRECTOR**

REGISTERED OFFICE

Broach Sadan,
Broach Street,
Devji Ratansey Marg,
Masjid Bunder,
Mumbai – 400 009.
Maharashtra.

PLACE: MUMBAI
DATED: 17th AUGUST, 2009

JAINEX AAMCOL LIMITED

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, 2009

1. FINANCE AND ACCOUNTS

	2009 Rs. in lacs	2008 Rs. in lacs
a) Sales	664.37	934.86
b) Other Income	4.13	2.60
	668.50	937.46
Operating Profit before Tax	(83.93)	69.18
Less : Provision for Income Tax (including Fringe Benefit Tax)	1.19	2.74
Add/Less : Deferred Tax (credit)	(15.25)	25.37
Profit for the year after Tax	(69.87)	41.07
Add. Profit b/f from previous year	107.52	66.45
Balance available for appropriations	37.65	107.52
Less : Preference Dividend Dividend Distribution Tax	15.00 2.54	- -
Balance carried to Balance Sheet	20.09	107.52

The year under review was one of the most testing years not only for your company, but for the global economy. Severe financial crunch and foreign exchange values affected the financial performance of Corporate India. The severe economic slowdown prevailed over major period of financial year have made a significant adverse impact on domestic performance of the company resulting in decrease from Rs. 923.60 lacs to Rs. 600.71 lacs.

The scheme of arrangement under Sec. 391/394 of the Companies Act, 1956 for issue of 1,50,000 equity shares of the company at par to the erstwhile preference shareholders in lieu of the arrears of Preference Dividend has been approved by Hon'ble Bombay High Court on 01.08.2008 and accordingly the company has issued and made the allotment on 06.04.2009.

Unsecured loans from promoters

Members are probably aware that the promoters of the company had provided from time to time unsecured loans aggregating to Rs. 6.25 crores. Without this financial assistance from the promoters, the company would not have been able to keep itself abreast of the latest technology. This unsecured loans were to be repaid in three years. However, the global

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meltdown have severely impacted the company's performance and cash flows consequently the company is unable to repay the said loans. It is therefore proposed to convert the unsecured loans into equity at a premium of Rs. 30 per share subject to the approval of the members, SEBI, BSE and other authorities.

2. AUDITORS

Messrs. R. A. Singh & Associates, the retiring auditors are eligible for re-appointment. The Board recommends their re-appointment.

3. DIRECTORS

Shri K. Lokhande retires by rotation and being eligible, offers himself for re-appointment. The Directors recommend his re-appointment.

4. 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.

5. BANKERS

Your Directors would like to place on record their appreciation of the proactive support and assistance given by the bankers, Bank of India, which has helped the company to tide over this most difficult period and look forward to receive their full support and assistance.

6. 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 to Accounts in Schedule 16.
- b) They have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them 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 and loss account 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 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".

7. **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.

8. **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

(B. S. DUGAR)
CHAIRMAN

(R. MAZUMDAR)
MANAGING DIRECTOR

PLACE: MUMBAI

DATED: 17th AUGUST, 2009

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 shaving cutters 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 Verzahrtechnik, 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.

C. Foreign Exchange - Earnings and Outgo

The information on foreign exchange earnings is contained in Schedule - 16 - Note No. 8(c), (d) and (e).

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AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **JAINEX AAMCOL LIMITED** as at 31st March, 2009 and the Profit & Loss Account 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 Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iii) In our opinion, the Balance Sheet and Profit and Loss Account 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 given in Schedule - 16 - Notes to Accounts.
- iv) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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** given in Schedule 16; 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 31st March, 2009,
- b) in the case of the Profit and Loss Account, 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.

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

R. A. SINGH
(PROPRIETOR)

PLACE : MUMBAI
DATED : 17th August, 2009

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 any 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 corporate, 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. 624.26 lacs and the year-end balance of loans taken from such parties was Rs. 624.26 lacs.
- (b) In our opinion, the rate of interest (neither provided nor paid for the year) 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.

JAINEX AAMCOL LIMITED

- (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 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) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company. The company is not required to maintain any records pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

JAINEX AAMCOL LIMITED

- (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 applicable to it.
 - (b) 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 31.03.2009 for a period of more than six months from the date they became payable.
- (x) The company does not have any accumulated losses. However the company has incurred cash loss during the financial year covered by our audit and there was no cash loss 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) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, the term loans availed by the company were applied by the company during the year for the purposes for which the loans were obtained.

JAINEX AAMCOL LIMITED

- (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-terms 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 not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies, Act, 1956 during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- (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 : 17th August, 2009

JAINEX AAMCOL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

SR. No.	PARTICULARS	SCH No.	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
I. SOURCES OF FUNDS				
1. Shareholders' Fund				
	a) Share Capital	1	6993940	5493940
	b) Reserves & Surplus	2	18976953	29882891
			25970893	35376831
	2. Deferred Tax Credit		2642010	4166843
3. Loan Funds				
	a) secured Loans	3	83775769	41915664
	b) Unsecured Loans	4	62469857	45319857
			146245626	87235521
			174858529	126779195
II. APPLICATION OF FUNDS				
1. Fixed Assets				
	a) Gross Block	5	186118633	128544512
	b) Less : Depreciation		64876888	55481318
	Net Block		121241745	73063194
2. Current Assets, Loans & Advances				
	a) Inventories	6	24294335	22692240
	b) Sundry Debtors	7	13859780	25835219
	c) Cash & Bank Balances	8	1500109	2676225
	d) Loans & Advances	9	23588114	15022795
	Less :-		63242339	66226479
	Current Liabilities & Provisions	10	9720089	12574195
	Net Current Assets		53522250	53652284
3. Misc. Expenditure -				
	(to the extent not written off / adjusted)			
	Preliminary Expenses		94534	63717
			94534	63717
			174858529	126779195
	Notes on Accounts	16	-	-

Note : Schedule 1 to 10 and 16 form an integral part of the 'Balance Sheet.
As per our report of even date attached.

For R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS

R. A. SINGH
PROPRIETOR

PLACE : MUMBAI
DATED : 17th August, 2009

B. S. DUGAR
(Chairman)

R. MAZUMDAR
(Managing Director)

JAINEX AAMCOL LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

SR. No.	PARTICULARS	SCH No.	For the Year Ended on 31.03.2009 (Rs.)	For the Year Ended on 31.03.2008 (Rs.)
1.	INCOME			
	Sales	11(A)	66437436	93486057
	Other Income	11(B)	412512	260170
			66849948	93746227
2.	EXPENDITURE			
	Raw Materials Consumed	12(A)	19916208	20634872
	Stock Increase(-)/Decrease(+)	12(B)	(3819121)	(84851)
	Excise Duty and Education Cess		7117768	12477019
	Service Tax and Education Cess		368247	404134
	Employees' Remuneration & Benefits	13	18875927	21552824
	Other Administrative & Selling Exp.	14	19606321	20758440
	Finance Charges	15	5918215	6843568
	Depreciation		9395570	
	Less:- Transfer from Revaluation Reserve		2163665	
	Deferred Revenue Expenses written off		7231905	4226704
			27616	15929
			75243086	86828639
3.	Profit before tax (1 - 2)		(8393138)	6917588
4.	Provision for Taxation			
	Income Tax - Current Year (MAT)		-	783763
	Income Tax - Earlier Year		(97085)	-
	MAT Credit		-	(783763)
	Deferred Tax		(1524833)	2537001
	Fringe Benifit Tax - Current Year		216128	262046
	Fringe Benifit Tax - Previous Year		-	11470
			(1405790)	2810517
5.	Net Profit for the year (3 - 4)		(6987348)	4107071
6.	Balance B/d from Previous Year		10751636	6644565
	Balance available for Appropriation		3764288	10751636
7.	Appropriation			
	Preference Dividend		1500000	-
	Dividend Tax		254925	-
			1754925	-
8.	BALANCE CARRIED TO BALANCE SHEET		2009363	10751636
	Notes on Accounts	16		

Note : Schedules 11 to 16 form an integral part of the Profit & Loss Account.
As per our report of even date attached.

For R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS

R. A. SINGH
PROPRIETOR

PLACE : MUMBAI
DATED : 17th August, 2009

B. S. DUGAR
(Chairman)

R. MAZUMDAR
(Managing Director)

JAINEX AAMCOL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009 (Rs. in Lakhs)

Sr. No.	PARTICULARS	2008-2009	2007-2008
1.	Cash flow from Operating Activities		
A)	Net Profit before tax, extraordinary item and Deferred Revenue Expense.	(83.66)	69.34
	Adjustment for Depreciation	72.32	42.27
	" " Interest	59.18	68.44
	Operating Profit before working capital changes	47.84	180.05
B)	Adjustment for Working Capital Changes		
	Increase/(Decrease) in Trade / Other Receivables	(34.10)	211.50
	Increase in Inventories	16.02	165.13
	Increase/(Decrease)Deferred Tax Assets/Liabilities	(15.25)	25.37
		(33.33)	402.00
	Less : Increase in Trade / Other Liabilities	(28.54)	55.77
	Net Increase in Net Current Assets	(4.79)	346.23
C)	Cash Generated from Operations (A - B)	52.63	(166.18)
	Less : Interest Paid	59.18	68.44
	Less : Direct Tax (net)	(0.97)	-
	Less : Fringe Benifit Tax	2.16	2.74
	Less : Dividend	15.00	-
	Less : Dividend Distribution Tax	2.55	-
	Cash flow before Extraordinary Items	(25.29)	(237.36)
	Add : Extraordinary Items		
	Deferred Tax Credit	(15.25)	25.37
	Net Cash from Operating Activities	(40.54)	(211.99)
2.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	575.74	494.29
	Preliminary Expenses	0.58	0.82
	Sale of Fixed Assets	-	-
	Net Cash used in Investing Activities	576.32	495.11
3.	Cash flow from Financing Activities		
	Redemption of Preference Shares	-	-
	Repayment of Loans	-	-
		-	-
	Less : Increase in Capital/Loans		
	Increase in Capital	15.00	-
	Secured Loans	418.60	326.17
	Unsecured Loans	171.53	371.69
	Net Cash used in Financing Activities	(605.10)	(697.86)
4.	Net Increase in Cash and Cash Equivalent (1-2-3)	(11.76)	(9.24)

JAINEX AAMCOL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009 (Rs. in Lakhs)

: 2 :

Sr. No.	PARTICULARS	2008-2009	2007-2008
5.	Cash and Cash Equivalent as at the opening (Opening Balance)	26.76	36.00
6.	Cash and Cash Equivalent as at the closing (Closing Balance) (4+5)	15.00	26.76

As per our report of even date attached.

for R. A. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS

R. A. SINGH
PROPRIETOR

PLACE : MUMBAI
DATED : 17th August, 2009

B. S. DUGAR
(Chairman)

R. MAZUMDAR
(Managing Director)

JAINEX AAMCOL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

SR. No.	PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - 1 - SHARE CAPITAL			
Authorised			
3000000(3000000)-Equity Shares of Rs.10/- each		30000000	30000000
		<u>30000000</u>	<u>30000000</u>
Issued, Subscribed & Paid - up			
	No. of Shares		
	F.Y. 09 F.Y.08		
a) Equity Shares of Rs. 10 each fully paid up.	546338 546338	5463380	5463380
b) Proposed Allotment to Erstwhile Preference Shareholders (*) (since allotted on 6/4/2009)	150000 - <u>696338 546338</u>	1500000	
Less : Calls in arrears from others.		3595	3595
		<u>6959785</u>	<u>5459785</u>
Add : Forfieted Shares (On 13662 Shares @ Rs. 2.50 each)	13662 13662	34155	34155
		<u>6993940</u>	<u>5493940</u>
		<u>6993940</u>	<u>5493940</u>

NOTES :

- (A) (i) 3000 Equity Shares of Rs. 10/- each issued as fully paid to vendors as purchase consideration without payment being received in cash.
- (ii) 50000 Equity Shares of Rs. 10/- each issued as fully paid Bonus Shares by capitalisation of reserves.
- (iii) (*) Proposed issue and allotment as mentioned in Item b) above is in lieu of arrears / cummulative preference dividend as per the Scheme of Arrangement approved by Hon'ble Bombay High Court vide order dated 01.08.08

JAINEX AAMCOL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - 2 - RESERVES & SURPLUS		
1) Capital Reserve	1500000	1500000
2) Capital Redemption Reserve As per last Balance Sheet	3897400	3897400
3) Revaluation Reserve		
Opening Balance	13733855	15897520
Less: Transferred to Profit & Loss Account	2163665	2163665
Closing Balance	11570190	13733855
4) Profit & Loss Account As per annexed account	2009363	10751636
	18976953	29882891
SCHEDULE - 3 - SECURED LOANS		
1 From Bank of India		
i) Term Loan	25661348	6826237
ii) Interest Accrued and due thereon	511233	83232
	26172581	6909469
iii) DALC Acceptances (Capex) (Secured against hypothecation of specific machinery)	37014754	13161480
	63187335	20070949
B) Working Capital Limits		
i) Cash Credit Account	20422866	15519209
Interest Accrued and due thereon	7333	-
ii) DALC Acceptances	-	5992335
	20430199	21511544
(Secured against hypothecation of Raw Materials, Work in Progress, Finishing Goods & Receivables) (The above limits are further secured by hypothecation of Plant & Machinery and collateral secured by Equitable Mortgage of Land & Buildings situated at L/3, Chikalhana Indl. Estate, Aurangabad)		
2 From ICICI Bank		
Auto Car Loan secured against Motor Vehicles.	158234	333171
	83775769	41915664
SCHEDULE - 4 - UNSECURED LOANS		
From 1. Body Corporates	50116095	37366095
2. Firm	789605	389605
3. Shareholders / Directors	11520651	7520651
4. Government of Maharashtra		
Sales Tax Loan	43506	43506
	62469857	45319857

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009 • SCHEDULE - 5 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.2008 Rs.	Additions during the year Rs.	Deductions during the year Rs.	Total Cost as on 31.03.2009 Rs.	Depreciation as on 01.04.2008 Rs.	Depreciation for the year Rs.	Adjustment for the year Rs.	Depreciation up to 31.03.2009 Rs.	Net Book Value as on 31.03.2009 Rs.	Net Book Value as on 31.03.2008 Rs.
1 Leasehold Land	5338778	-	-	5338778	760462	76305	-	836767	4502010	4578316
2 Factory & Office Buildings	8732191	-	-	8732191	2332956	291655	-	2624611	6107580	6399235
3 Plant & Machinery (Incl. CNC Machines)	98059349	57016238	-	155075587	49043447	6957998	-	56001445	99074142	49015902
4 Computer & Computer Software	9326295	361558	-	9687853	1797042	1554670	-	3351712	6336141	7529253
5 Furniture, Fixtures & Office Equipments	5958988	196326	-	6155314	988953	367251	-	1356204	4799110	4970035
6 Motor Vehicles	1128911	-	-	1128911	558458	147690	-	706148	422762	570453
TOTAL	128544512	57574122	-	186118633	55481318	9395570	-	64876888	121241746	73063194
Prev. Year	79115206	49429306	-	128544512	49090949	6390369	-	55481318	73063194	

JAINEX AAMCOL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE - 6 - INVENTORIES		
(As certified by the Management)		
Stores etc. (at cost)	1108311	1256716
Machinery Spares (at cost - net of write off)	2334338	1815455
Tools etc. (at cost)	469070	505228
Raw Materials (at cost)	13379387	15930733
Work-in-Progress (at cost)	1970370	1082806
Finished Goods (at cost or market or realisable value whichever is lower)	5032859	2101302
	24294335	22692240
SCHEDULE - 7 - SUNDRY DEBTORS		
Unsecured (Considered Good)		
Debts outstanding for more than 6 months	2113878	2175270
Other Debts	11745902	23659949
	13859780	25835219
SCHEDULE - 8 - CASH & BANK BALANCES		
Cash in hand	39860	62639
Balances with Scheduled Banks - in Current Accounts	1203874	256086
in Fixed Deposits Accounts	256376	2357500
(held as margin against LCs)	1500109	2676225
SCHEDULE - 9 - LOANS AND ADVANCES		
Unsecured (Considered Good)		
Advances recoverable in cash or kind or for value to be received.		
a) Capital Item	12760051	8847665
b) Others	10540834	5927155
c) Deposits	287230	247975
	23588114	15022795

JAINEX AAMCOL LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE -10 - CURRENT LIABILITIES & PROVISIONS		
I) Current Liabilities		
a) Sundry Creditors		
For Goods	2198958	3942165
For Capital Items	1088481	1040382
For Expenses	4664309	4726717
For Others Finance	802398	2579682
b) Credit Balances	494889	248203
TOTAL (I)	9249036	12537149
II) PROVISIONS		
a) IncomeTax (Net of taxes Paid)	-	-
b) Dividend Tax Payable	254925	-
c) FBT (Net of taxes paid)	216128	37046
TOTAL (I + II)	9720089	12574195

NOTE :

Sundry Creditors include Rs. Nil / - due to Micro and SMEs exceeding Rs. 1 lakh (previous year Rs. 248758)

JAINEX AAMCOL LIMITED

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2009

PARTICULARS	For the year Ended on 31.03.2009 (Rs.)	For the year Ended on 31.03.2008 (Rs.)
SCHEDULE - 11		
INCOME		
(A) Sales	66437436	93486057
(B) Other Income		
Misc. Receipts	412512	260170
	412512	260170
Total (A + B)	66849948	93746227
 SCHEDULE - 12 (A)		
RAW MATERIALS CONSUMED		
Opening Stock	15930733	2273777
Add : Purchases (net)	17364862	34291828
	33295595	36565605
Less : Closing Stock	13379387	15930733
	19916208	20634872
 SCHEDULE - 12 (B)		
STOCK INCREASE (-)/ DECREASE (+)		
Opening Stock		
Work-in-Progress	1082806	1853172
Finished Goods	2101302	1246085
	3184108	3099257
Less : Closing Stock		
Work-in-Progress	1970370	1082806
Finished Goods	5032859	2101302
	7003229	3184108
	(3819121)	(84851)

JAINEX AAMCOL LIMITED

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2009

PARTICULARS	For the year Ended on 31.03.2009 (Rs.)	For the year Ended on 31.03.2008 (Rs.)
SCHEDULE - 13		
EMPLOYEES' REMUNERATION & BENEFITS		
1) Salaries & Wages	6011852	6563488
2) Bonus	786315	1108347
3) Other Allowances	7943508	9810609
4) Contribution to Provident Fund	816556	924039
5) Contribution to Retirement Benefit Funds	257703	250000
6) Workmen and Staff Welfare	1040293	1282269
7) Directors Remuneration	2019700	1614072
	18875927	21552824
SCHEDULE - 14		
OTHER ADMINISTRATIVE & SELLING EXPENSES		
1) Stores and Tools & Spares consumed etc.	2640532	3231894
2) Labour Charges (Mfg.)	2421072	2095719
3) Power & Fuel	2538689	2614741
4) Rates & Taxes	65969	65969
5) Rent	70427	160536
6) Insurance Charges	232832	222312
7) Repairs and Maint. - Plant & Mach.	1489143	1256367
- Building	189550	1253175
- Others	179824	159341
8) Consignment Expenses	715196	425380
9) Rebate, Discount and Commission	1044497	1027467
10) Legal, Professional and Retainer fees	1012843	1198563
11) Travelling & Conveyance	3309099	3297226
12) Sundries	3696649	3749750
	19606321	20758440
SCHEDULE - 15		
FINANCE CHARGES		
1. Interest		
Term Loan	2639357	487708
Cash Credit	2612512	783102
Car Loan	19823	33047
Others	10635	4495800
	5282327	5799657
2. Bank Processing Charges	279483	286533
3. Bank Charges	356405	757378
	5918215	6843568

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A Significant Accounting Policies

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.

2 REVENUE RECOGNITION

Turnover includes excise duty, education cess, job work receipts and sale of scraps and does not include VAT/CST.

3 MISCELLANEOUS EXPENDITURE

Expenses related to increase in authorized share capital and issue thereunder are amortized over a period of five years.

4 INVENTORIES VALUATION (AS - 2)

- a) Raw materials are valued at cost. Cost is ascertained on FIFO basis as in previous year.
- b) Work in Progress is valued at cost. (previous year at RM cost).
- c) Finished Goods are carried at lower of cost or market value whichever is less as in previous year.
- d) Stores, Tools and Spares are carried at cost net of writeoffs for items used as in previous year.

5 CASH FLOW STATEMENT (AS - 3)

Cash Flow Statement is prepared under "Indirect Method".

6 CHANGE IN ACCOUNTING POLICIES (AS - 5)

- a) There is no change in accounting policy except valuation of WIP at RM cost + overheads as against RM cost in previous year. Accordingly WIP at the year end is more by Rs. 9.85 lacs resulting into reduction in loss to the same extent.
- b) No provision for interest on unsecured loans borrowed from Promoters, Shareholders, Directors and Associates have been made in view of the loss. Amount not ascertained.

7 DEPRECIATION (AS - 6)

- a) Depreciation is provided under straight line method on fixed assets except in few 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.
- b) Depreciation on additions/deletions is provided on pro-rata basis from the date of such additions /deletions.
- c) No depreciation has been provided on fixed assets representing written down value below 5% of the original cost.
- d) Tools & Spares are written off as and when consumed/ discarded are proportionately on usage basis.

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
(CONTD)

- 8** **FIXED ASSETS (AS-10)**
- a) Fixed Assets are stated at cost (net of cenvat wherever availed) and includes an amount of Rs.353.70 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 353.70 lacs and Rs. 137.34 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.
- 9** **TRANSACTION OF FOREIGN CURRENCY ITEMS (AS - 11)**
- a) Foreign currency transaction are recorded at the exchange rate prevailing on the date of transaction.
- b) Monetary items denominated in foreign currancies (such as cash, receivables, payables etc.) outstanding at the year end are translated at exchange rates applicable on that date.
- c) Non -monetary items denominated in foreign currency (such as fixed assets) are valued at forward contract exchange rate contracted for the such liability under Capex LCs.
- d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the profit & loss account in respect of revenue items and in respect of capital items, the same are capitalised as per modified AS 11.
- e) In the case of forward exchange contracts only on account of Capex LCs, the premium or discount arising at the inception of such contracts, is capitalised. However there was no forward contract for imports of raw materials/exports.
- 10** **EMPLOYEE BENEFITS (AS - 15 Revised)**
- 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 period in which the employee renders the related services.
- b) **Defined benefit plan/ Long Term Compensated Absences.**
Liabilities in respect of gratuity of employees are funded under the employees group Gratuity Scheme with LIC.
- 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. In view of provision of leave salary at last salary drawn, it is expected that actuarial valuation may not be more than the provision made. The company has no defined benefit plan for this purpose as yet.

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

- 11 **BORROWING COST (AS-16)**
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.
- 12 **LEASES (AS-19)**
Leasehold land is amortized over the period of lease.
- 13 **TAXES ON INCOME (AS - 22)**
- a) Current tax is determined as the amount of tax payable in respect of taxable income for the period, as per applicable tax rates and laws.
- 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.
- 14 **DISCONTINUING OPERATIONS (AS - 24)**
The Company has not discontinued any operations during the year.
- 15 **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 periods.
- 16 **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.

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

17 BUSINESS SEGMENT

The company operates in a business segment viz. Gear Cutting, Special Cutting Tools and Spline Gauges and is considered single segment operations.

B. NOTES TO ACCOUNTS

- 1 Sundries in schedule 14 includes Auditor's Remuneration as under
- Audit Fees
 - Tax Audit Fees
 - Taxation and other matters

Current year (Rs)	Previous Year (Rs)
33090	33706
11030	11236
28072	28072
72192	73014

- 2 The company is not required to have a Qualified Company Secretary in view of Section 383A of Companies Act, 1956.
- 3 The balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation.
- 4 Commitments on capital accounts pending is Rs. NIL (previous year Rs. 164 Lacs).
- 5 Provision for Contingencies
- a Import against DALC for Rs NIL for purchase of raw materials (previous year Rs 19 lacs).
 - b On account of claim by an ex-employee amounting to Rs. 0.37 lacs which the company is contesting before the appropriate authority and is of the view that the claim will not sustain.
 - 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. 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 counterblast to the FIR, the said ex-employee N. K. Chatterjee has made a claim of Rs. 50 lacs for his alleged terminal dues in the City Civil Court, Aurangabad which is being contested by the company.

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

- d On account of penalty of Rs 1.75 lacs imposed by SEBI which is represented by the company for remission/ waiver.
- 6 The Company filed Company Petition no.170 of 2008 in the Hon'ble Bombay High Court for sanction of the Hon'ble Court u/s 391 an 394 of the Companies Act 1956 to a Scheme of Arrangement between the company and its Specified Creditors i.e. the erstwhile preference shareholders. The Hon'ble Bombay High Court has approved and sanction the scheme vide Order dated 01. 08. 2008. Accordingly the company has completed / complied with various legal formalities with BSE, SEBI and Stamp office and has issued and allotted 150000 Equity Shares of Rs. 10 each on 6/4/2009. The effect of the said change viz. increase in paid up Equity Capital and treating the equivalent amount of Rs. 15 lacs as preference dividend and tax thereon of Rs. 254925 has been provided in the accounts forthe year.

7. Related party Disclosure

7.1 (a) Related Party and their Relationship.

Subsidiaries	:	NIL
Associates	:	Jainex Foods Pvt. Limited Jainex Limited Jainex Imports & Exports Pvt. Limited Dugar Brothers & Company System Automation Engg. Services
Key Management Personnel :		Mr. B. S. Dugar (Chairman) Mr. R. Mazumdar (MD), Mr. M. Z. Kothari (Jt. MD), Mr. Rahul Dugar (WTD), and Mr. K. Lokhande (Director)
Relatives of Key Management Personnel	:	- -

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

(b) Transactions with Related Party.	Nature	Amt/ (Rs.) 31.03.2009	Amt. (Rs.) 31.03.2008
Subsidiaries		NIL	NIL
Associates /Directors	Siting Fees To Director	-	25000
	Interest to Director	-	593402
	Payment to Body Corporates	-	3641189
	Interest Purchases	-	-
	Interest to Relatives of Directors	-	210000
	Reimburseme of Exp. to a Director	-	-
	Payment to a firm	-	51209
	Interest Purchases	28652	1488875
Key Management Personnel	Directors Salary Allowances, Rent etc.	1470250	1526072
		73000	107150
Relatives of Key Management Personal		NIL	NIL
7.2			
Disclosure as required by Clause 32 of listing Agreement.			
Amount of loans/advances in nature of loans outstanding from subsidiaries and Associates during 2008 - 09.			
Subsidiaries		NIL	NIL
Associates		NIL	NIL
Key Management Personnel		NIL	NIL
Relatives of Key Management Personnel		NIL	NIL

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

8. Additional Information pursuant to the provisions of paragraph 3,4C and 4D of the part II of Schedule VI to the Companies Act, 1956.

	31.03.2009		31.03.2008	
	Qty (in tonnes)	Amount (Rs.)	Qty (in tonnes)	Amount (Rs.)
(a) Raw Materials Consumed High Speed Steel Rounds/Bars.	18.929	19916208	20.675	20634872
Percentage of Consumption of Raw Materials				
Imported	80%	15880864	78%	16064562
Indigenous	20%	4035344	22%	4570310
	100%	19916208	100%	20634872
(b) Stores and Tools & Spares consumed/written off (all indigneous)		2640532		3231894
(c) CIF Value of Imports of (i) Raw Materials (ii) Plant & Machinery	(CIF)	12652035 44917051 57569086		26504202 19070850 45575052
(d) Expenditure in Foreign Currency (Travelling)		499071		252150
(e) Earnings in Foreign Currency F.O.B. value of Export		6366185		1125676

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

(f)

Class of Goods	Unit	Capacities		Production Qty.	Opening Stock		Closing Stock		Sales	
		Lic enc ed.	Inst all- ed.		Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Gear Hobs Cutters & Guages Category I	Nos	12000 (12000)	3500 (3500)	3317 (4049)	93 (106)	2067319 (1238078)	221 (93)	5266148 (2067319)		
Category II (Impaired Stock)					90 (41)	33983 (8007)	128 (90)	54063 (33983)		
				3317 (4049)	183 (147)	2101302 (1246085)	349 (183)	5320211 (2101302)	3151 (4013)	62282640 (87490761)
Job Work										2588706 (3661756)
Scraps										1566090 (2333540)
									TOTAL	66437436 (93486057)

- NOTES :** 1. Figures in the bracket denote figure for previous year.
2. Installed Capacity as certified by the Management.

9. Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting (AS) 20 "Earning Per Share" : (In Rupees)

Particulars		Current Year	Previous Year
		Rs.	Rs.
Basic & Diluted Profit after Tax	A	(6987348)	4107071
Number of shares subscribed	B	696338	546338
Basic & Diluted EPS	A/B	Negative	7.52%

10. As per Accounting Standard 22 (AS-22) " Accounting for Taxes on Income " Major components of Deferred Tax Assets and Liabilities :

Particulars	Upto 31/03/2008	For current year	As at 31/03/2009
	Rs	Rs	Rs
Depreciation on Fixed Assets Liability	16510165	14847554	31357719
Leave Encashment Assets	(492028)	56606	(435422)
Unabsorbed Depreciation Assets	(3759110)	(18612994)	(22372104)
Total	12259027	(3708834)	8550193
Deferred Tax Liability @ 30.90%	4166843	(1146030)	2642010

JAINEX AAMCOL LIMITED

SCHEDULE TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT SCHEDULE - 16 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD)

- 11 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.

	<u>F. Y. 09</u>	<u>F. Y. 08</u>
Employers Contribution to state governed Provident Fund	279261	334031
Employers Contribution to state governed Pension Scheme	442350	480739
Employers Contribution to state governed Employees State Insurance	304258	175458

b) Defined benefit plan/ Long Term Compensated Absences.

Liabilities in respect of gratuity of employees are funded under the employees Group Gratuity Scheme with LIC.

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. In view of provision of leave salary at last salary drawn, it is expected that actuarial valuation may not be more than the provision made. The company has no defined benefit plan for this purpose as yet.

- 12 Information pursuant to Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet abstract and general business profile and cash flow statement pursuant to clause 32 of listing agreement are annexed hereto.
- 13 Figures for previous year have been rearranged/regrouped wherever necessary.

Signature to Schedules 1 to 16

for R. A. SINGH & ASSOCIATES
Chartered Accountants

R. A. SINGH
PROPRIETOR

PLACE : MUMBAI
DATED : 17th August, 2009

B. S. DUGAR
(Chairman)

R. MAZUMDAR
(Managing Director)

JAINEX AAMCOL LIMITED

Additional Information as required under Part IV of Schedule VI
to the Companies Act, 1956

14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code : 11
Registration No. : 5695
Balance Sheet Date : 31.03.2009

II. Capital Raised during the year (Amount in Rs.)

Public Issue : NOT APPLICABLE
Bonus Issue : NOT APPLICABLE
Right Issue : NOT APPLICABLE
Private Placement : NOT APPLICABLE

III. Position of Mobilisation and Deployment of Fund (Amount Rs. in Thousands)

Total Liabilities	<u>174859</u>	Total Assets	<u>174859</u>
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid-up Capital	6994	Net Fixed Assets	121242
Share Application Money (Pending Allotment)	-	Investments	-
Reserve & Surplus	18977	Misc. Expenditure	95
Secured Loans	83776	Net Current Assets	53522
Unsecured Loans	62470	Deferred Tax Asset	-
Deferred Tax Credit	<u>2642</u>	Accumulated Losses	-
	<u>174859</u>		<u>174859</u>

IV. Performance of the Company (Amount Rs. in Thousands)

Turnover including Other Incomes	66850	Total Expenditure	75243
Profit Before Tax	-8393	Profit After Tax after def. tax credit	-70
Earning Per share in Rs. (after deferred tax)	<u>Negative</u>	Dividend per share	<u>NIL</u>

V. Generic Names of Three Principal Services of Company

Item Code No.	8207	Hob & Cutter
	9017	Spline Guages
Service Description	MANUFACTURE OF GEAR CUTTING TOOLS, SPECIAL CUTTING TOOLS, SPLINE GUAGES, LABOUR JOBS, ETC.	

As per our report of even date attached

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

Chartered Accountants

R. A. SINGH
PROPRIETOR

PLACE : MUMBAI
DATED : 17th August, 2009

B. S. DUGAR
(Chairman)

R. MAZUMDAR
(Managing Director)

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To,

If Undelivered please return to :

Registrar & Share Transfer Agent
M/s. LINK INTIME INDIA PVT. LTD.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.