

**AUDITORS' REPORT**

To

**The Member of Jeco Exports & Finance Ltd.**

1. We have audited the attached Balance Sheet of **Jeco Exports & Finance Ltd.** as at 31<sup>st</sup> March 2012, the Statement of Profit & Loss Account and also the cash flow statement 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended in 2004, 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above 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 & Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the Books of Account as submitted to us;
  - d) In our opinion, the Balance Sheet, the Statement of Profit & Loss Account and the Cash flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts subject to and read together with the significant accounting policies, notes and observations thereon and attached thereto, 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 :-
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012
    - ii. In the case of the Statement of Profit and Loss Account, of the Loss for the year ended on that date  
and
    - iii. In the case of the Cash flow statement, of the cash flows for the year ended on that date.

**For KHETAWAT & CO.**  
**Chartered Accountants**  
**Regn. No. 313185E**  
**(AAYUSH KHETAWAT)**  
**Partner**  
**M.No. 300290****Place: Kolkata****Dated: 3 SEP 2012**

**Annexure to Auditors' Report of  
Jeco Exports & Finance Ltd**

- 1) a) The Company, in our opinion, has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) In our opinion, the Fixed Assets have been physically verified by the Management at reasonable intervals having regard to the size of the company and nature of its assets. No material discrepancies between Book records and the physical inventory are reported to have been noticed
- c) In our opinion, the Company has not disposed off any substantial part of its Fixed Assets, so as to affect its Going Concern status.
- 2) a) The Inventories lying with the company are reported to have been physically verified by the Management, during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Management are, in our opinion, 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 inventories. The discrepancies noticed on verification between the Physical stocks and the book records were not material.
- 3) According to the records of the company as produced before us and according to the information and explanations given to us, the company has, during the year, neither granted nor taken any loan, Secured or Unsecured, to/from the Companies, Firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956 and, accordingly, Provisions of clause 4(iii) of the order are not applicable.
- 4) In our opinion and on the basis of test checks carried out by us and according to the information and explanations given to us and considering the explanation given by the Management where alternative sources and/or evidences not being available, it appears that there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods, as applicable to it.

Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of continuous major weakness in the aforesaid Internal control procedure.

- 5) a) According to the information and explanations given to us and on the basis of our examination, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us and on the basis of test check carried out by us, it appears that the transactions made in pursuance of contracts or arrangements exceeding the value of rupees five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the company has not accepted deposit from the public during the year under the provision of section 58A or 58AA and other relevant provisions of the Companies Act, 1956, read with the rules framed there under.
- 7) The Internal Audit is conducted departmentally. However, the System needs improvement.
- 8) On the basis of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed for the maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- 9) a) According to the information and explanations given to us and according to the books and records produced before us and examined by us, in our opinion, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and other material statutory dues applicable to it.

**KHETAWAT & CO.**

CHARTERED ACCOUNTANTS

b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Excise Duty, Service Tax and Cess were in arrears, as at 31.03.2012 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, the following taxes have not been deposited due to Disputes:

<u>Item Description</u>	<u>Amount (₹)</u>
Corporation Tax	78,310/-

- 10) In our opinion, the company does not have any accumulated losses. The Company has incurred cash loss amounting to ₹ 1,15,299/- during the financial year covered by our audit, but not in the immediately preceding financial year.
- 11) According to the records of the Company and as per the information and explanation given to us, the Company has not taken any loan from the Financial Institutions, Banks or Debenture Holders during the year.
- 12) According to the information and explanation given to us, the company has not granted any loan or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) According to the information and explanation given to us, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- 14) In respect of dealing / trading in Shares, Securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and other securities have been held by the Company in its own name except to the extent of exemption granted u/s 49 of the Companies Act, 1956.
- 15) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 16) On the basis of records examined by us and information and explanations given to us, the company has not obtained any term loan during the year.
- 17) We have been informed by the Management that no short-term funds have been used for Long Term Investment.
- 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained u/s 301 of the Companies Act, 1956.
- 19) The Company did not have any outstanding debentures during the year.
- 20) The Company has not raised any money by Public issue during the year.
- 21) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

**For KHETAWAT & CO.**  
**Chartered Accountants**  
**Regn. No. 313185E**

*Aayush Khetawat*

**(AAYUSH KHETAWAT)**  
**Partner**  
**M.No. 300290**

**Place: Kolkata**

**Date:**

**3 SEP 2012**

**JECO EXPORTS & FINANCE LTD.**  
**BALANCE SHEET AS AT 31 MARCH, 2012**

(Amount in ₹)

<u>PARTICULARS</u>	<u>NOTE</u>	<u>31 March, 2012</u>	<u>31 March, 2011</u>
<b>A EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	1	14,820,000	14,820,000
Reserves and surplus	2	2,997,500	3,937,608
		17,817,500	18,757,608
<b>Current Liabilities</b>			
Trade payables		71,889	155,992
Other current liabilities	3	344,516	272,576
		416,405	428,568
<b>TOTAL</b>		<b>18,233,905</b>	<b>19,186,176</b>
<b>B ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>	4		
Tangible assets		445,925	498,287
Non-current investments	5	17,078,428	17,970,516
Deferred tax assets (net)	19	490,925	393,284
Long-term loans and advances	6	78,500	78,500
		18,093,778	18,940,587
<b>Current Assets</b>			
Inventories	7	58,294	83,288
Trade receivables	8	Nil	18,933
Cash and cash equivalents	9	42,824	72,769
Other current assets	10	39,009	70,599
		140,127	245,589
<b>TOTAL</b>		<b>18,233,905</b>	<b>19,186,176</b>
Accounting Policies & Additional Disclosure to Financial Statement	19		

Notes 1 to 10 and 19 referred to above form an integral part of the Balance Sheet

Signed in terms of our report  
of even date annexed hereto

**For Khetawat & Co.**

Chartered Accountants

*Akhawat*

**AAYUSH KHETAWAT**

Partner

Membership No. : 300290

**For and on behalf of the Board of  
Directors**

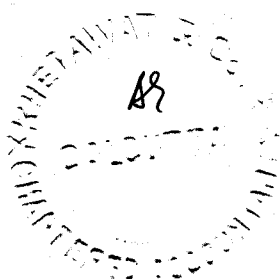
*Moukhee Singhania*  
*AB*

D  
I  
R  
E  
C  
T  
O  
R  
S

Place : Kolkata

Date :

**3 SEP 2012**



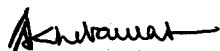
**JECO EXPORTS & FINANCE LTD.****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012**

(Amount in ₹)

<u>PARTICULARS</u>	<u>NOTE</u>	<u>31 March, 2012</u>	<u>31 March, 2011</u>
<b>A INCOME</b>			
Revenue from operations (net)	11	726,825	2,264,266
Other income	12	2,548	204
<b>TOTAL</b>		<b>729,373</b>	<b>2,264,470</b>
<b>B EXPENSES</b>			
Purchases of stock-in-trade	13	422,486	566,146
Changes in inventories of Stock-in-Trade	14	24,994	16,299
Employee benefit expenses	15	145,628	133,131
Finance cost	16	78	Nil
Depreciation and amortisation expense	4	52,362	60,802
Other expenses	17	1,121,574	290,909
<b>TOTAL</b>		<b>1,767,122</b>	<b>1,067,287</b>
<b>Profit / (Loss) before exceptional items and tax (A - B)</b>		<b>(1,037,749)</b>	<b>1,197,183</b>
Exceptional items	18	Nil	(2,562)
<b>Profit / (Loss) before tax</b>		<b>(1,037,749)</b>	<b>1,199,745</b>
<b>Tax expense:</b>			
For current year		Nil	Nil
Relating to prior years		Nil	(1,782)
Net current tax expense		Nil	(1,782)
Deferred tax		(97,641)	(118,940)
Total		(97,641)	(120,722)
<b>Profit / (Loss) for the year</b>		<b>(940,108)</b>	<b>1,320,467</b>
<b>Earnings per share :</b>		<b>(0.63)</b>	<b>0.89</b>
Accounting Policies & Additional Disclosure to Financial Statement	19		

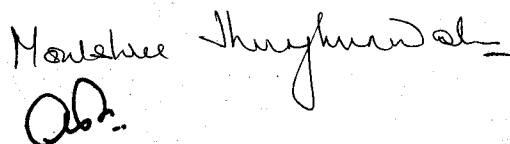
Notes 4 and 11 to 19 referred to above form an integral part of the Statement of Profit &amp; Loss

Signed in terms of our report  
of even date annexed hereto  
**For Khetawat & Co.**  
Chartered Accountants



**AAYUSH KHETAWAT**  
Partner  
Membership No. : 300290

**For and on behalf of the Board of  
Directors**


D  
I  
R  
E  
C  
T  
O  
R  
S

Place : Kolkata

Date : **3 SEP 2012**

**JECO EXPORTS & FINANCE LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**  
(Pursuant to Clause 32 of the Listing Agreement with the Stock Exchange)

	<u>2011-2012</u>	<u>2010-11</u>
<b>A: CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(1,037,749)	1,197,183
Adjustments For :		
Provision for Diminution	870,088	(997,684)
Depreciation	52,362	60,802
Dividend	(122,825)	(589,638)
Profit on sale of Investment	(121,250)	
Interest	(17)	
	<u>678,359</u>	<u>(1,526,520)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL	(359,390)	(329,337)
(Increase)/ Decrease in Inventories	24,994	16,299
(Increase)/ Decrease in Debtors	18,933	(18,933)
(Increase)/ Decrease in Trade & Other Receivables	2,784	12,008
Increase/ (Decrease) in Trade & Other Payables	5,177	196,250
Increase/ (Decrease) in Provisions	-	(116,831)
Income Tax paid	-	154,648
Income Tax Refund	29,614	-
Other Taxes paid	(808)	(24,950)
	<u>80,694</u>	<u>218,490</u>
Cash Flow Before Extraordinary Items	(278,696)	(110,846)
EXTRAORDINARY ITEMS	-	1,782
NET CASH USED IN OPERATING ACTIVITIES :	(A) <u>(278,696)</u>	<u>(109,064)</u>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	122,825	589,638
Interest on Investment	17	
Sale of Asset	-	4,902
Sale of Investment	143,250	-
Receipt on merger	-	507
Purchase of Investments (Net)	-	(483,210)
	<u>266,091</u>	<u>111,837</u>
NET CASH FROM INVESTING ACTIVITIES :	(B) <u>266,091</u>	<u>111,837</u>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>	(C) <u>-</u>	<u>-</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(12,605)	2,773
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	55,429	52,656
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	<u>42,824</u>	<u>55,429</u>

We have verified the above Cash Flow Statement of M/s. JECO EXPORTS & FINANCE LTD for the year ended 31st March, 2012. The Statement, has been prepared by the Company in accordance with the requirements of listing agreements with the Stock Exchanges, and is based on and is in agreement with the corresponding Profit & Loss account & Balance Sheet of the Company covered by our report of even date to the members of the Company

For Khetawat & Co  
Chartered Accountants

*A. Khetawat*

**AA YUSH KHETAWAT**  
Partner  
Membership No. : 300290

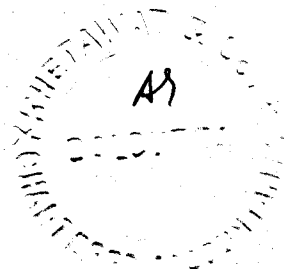
9, Lal Bazar Street,  
Kolkata

Dated :

**3 SEP 2012**

For and on behalf of the Board

*Montshree Singh*  
DIRECTORS  
*AS*



**JECO EXPORTS & FINANCE LTD.**  
**Notes forming part of the Balance Sheet**

(Amount in ₹)

31 March, 2012

31 March, 2011

**NOTE : 1 : SHARE CAPITAL**Authorised

Equity shares of ₹ 10 each

Issued, Subscribed and fully paid up

Equity shares of ₹ 10 each

No of shares	Amount	No of shares	Amount
1,500,000	15,000,000.00	1,500,000	15,000,000.00
1,482,000	14,820,000.00	1,482,000	14,820,000.00

- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

NA

- Terms/rights attached to equity shares :

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- Details of shareholders holding more than 5% shares :

Name	No of shares	% holding	No of shares	% holding
Atash Properties & Finance P Ltd.	95,200	6.42%	95,200	6.42%
Moulshree Jhunjunwala	145,800	9.84%	145,800	9.84%
Paramsukh Properties Pvt. Ltd.	289,500	19.53%	289,500	19.53%
Saroj Saraf	135,500	9.14%	135,500	9.14%
Satyam Mohatta	124,900	8.43%	Nil	0.00%
Vikram Jhunjunwala	104,400	7.04%	104,400	7.04%

**NOTE : 2 : RESERVES AND SURPLUS**Special Reserve (Created under RBI Act)

Balance as per last Financial Statement

Created during the year (relating to earlier years)

Closing balance

Surplus in Statement of Profit and Loss

Balance as per last Financial Statement

Profit / (Loss) for the year

Transferred to Special reserve

Closing balance

69,444	69,444
1,716,984	Nil
1,786,428	69,444
3,868,164	2,547,697
(940,108)	1,320,467
(1,716,984)	Nil
1,211,072	3,868,164
2,997,500	3,937,608

**NOTE : 3 : OTHER CURRENT LIABILITIES**

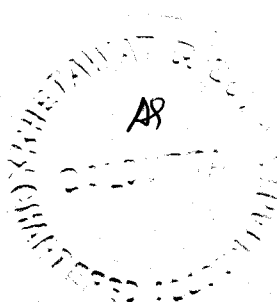
Book Overdraft (due to overissue of cheques)

Statutory Liabilities

Liabilities for Expenses

Advances from customers

Nil	17,340
3,735	14,563
331,630	240,673
9,151	Nil
344,516	272,576



## NOTE : 4 : FIXED ASSETS

NOTE : 4 : FIXED ASSETS											(Amount in ₹)	
Particulars	R a t e	Gross block				Depreciation/ Ammortisation				Net Carrying Value		
		Balance as at 01 April, 2011	Addition s	Disposals/ Other adjustments	Balance as at 31 March, 2012	Upto Last Year	For the year	Adjustment s	Upto 31 March, 2012	As at 31 March, 2012	As at 31 March, 2011	
A. Tangible Assets												
Factory Building	3.34	585,932	Nil	Nil	585,932	262,382	19,569	Nil	281,951	303,981	323,550	
Plant & Machinery	4.75	23,995	Nil	Nil	23,995	17,817	1,140	Nil	18,957	5,038	6,178	
Electric Installation	7.07	261,563	Nil	Nil	261,563	166,877	18,490	Nil	185,367	76,196	94,686	
Furniture & Fixture	6.33	88,887	Nil	Nil	88,887	82,959	864	Nil	83,823	5,064	5,928	
Office Equipment	6.33	423,187	Nil	Nil	423,187	355,242	12,299	Nil	367,541	55,646	67,945	
Total		1,383,564	NIL	NIL	1,383,564	885,277	52,362	NIL	937,639	445,925	498,287	
Previous year		1,679,706	NIL	296,142	1,383,564	1,118,277	60,802	293,802	885,277	498,287		



(Amount in ₹)

31 March, 2012

31 March, 2011

**NOTE : 4 : FIXED ASSETS***As per separate sheet attached*

445,925

498,287

**NOTE : 5 : NON-CURRENT INVESTMENTS****Non Trade Investment****Investments in Equity Instruments****Quoted****- of other than associate entities**

31 Infotech Ltd.

A B B

A.J. Brothers Ltd.

Aditya Birla Nuvo Ltd.

Alexon Extrusions Ltd.

Allahabad Bank

Alumeco

Ambuja Cements Ltd.

Ashok Leyland Ltd.

Balasore Alloys Ltd.

BEL

BHEL

Bhoruka Aluminium Ltd.

Bombay Rayon Fashions Ltd

BPCL

Century Extrusions Ltd.

Dabur India Ltd.

Dena Bank

Dr. Reddy

G E Shipping

Graphite India Ltd.

Great Offshore Ltd.

Gujrat NRE Coke Ltd.(Bonus)

Gujrat NRE Coke Ltd. (Bonus Class B)

Grasim

HDFC Bank

Hindalco Industries Ltd.

ICICI Bank Ltd

Indian Hotel

Infosys

Ing Vysya Bank

Karnataka Bank

LIC Housing Finance

L N T

Man Aluminium Ltd.

Man Industries Ltd.

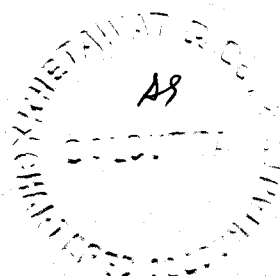
Merck Ltd.

NTPC Ltd.

Nalco

NHPC

No.	Amount	No.	Amount
400	37,088	400	37,088
750	138,163	750	138,163
200	3,000	200	3,000
15	2,395	15	2,395
100	1,300	100	1,300
1,608	128,808	1,608	128,808
100	954	100	954
7,500	448,263	7,500	448,263
4,000	45,473	2,000	45,473
378	9,900	378	9,900
75	69,204	75	69,204
1,000	65,687	200	65,687
200	2,000	100	2,000
100	7,000	100	7,000
160	65,990	160	65,990
4,830,225	6,979,871	4,830,225	6,979,871
840	25,138	840	25,138
3,455	98,728	3,455	98,728
520	214,475	520	214,475
80	19,432	80	19,432
500	29,159	500	29,159
20	4,979	20	4,979
5,770	Nil	5,770	Nil
672	Nil	672	Nil
10	12,182	10	12,182
190	12,516	38	12,516
1,700	115,558	1,700	115,558
794	178,671	794	178,671
1,476	109,603	1,476	109,603
40	55,657	40	55,657
568	94,750	568	94,750
960	69,176	960	69,176
1,000	38,922	1,000	38,922
20	15,799	20	15,799
62	Nil	62	Nil
1,000	9,825	1,000	9,825
60	31,198	60	31,198
838	51,956	838	51,956
40	2,813	40	2,813
200	6,831	200	6,831



(Amount in ₹)

	31 March, 2012		31 March, 2011	
Opto Circuits	102	5,128	102	5,128
Oriental Bank of Commerce	375	112,928	375	112,928
Orissa Extrusions Ltd.	100	2,235	100	2,235
Patni Engineering Ltd.	100	1,620	100	1,620
Pennar Aluminium Co.Ltd.	200	435	200	435
Pennar Profiles Ltd.	50	1,405	50	1,405
Petronet LNG Ltd.	170	11,412	170	11,412
Platinum Finance Limited.	3,000	30,000	3,000	30,000
Pricol	100	4,558	100	4,558
Punj Lloyd Ltd.	50	7,000	50	7,000
Rajasthan Tube	2,000	41,510	2,000	41,510
Reliance Capital	250	43,473	250	43,473
Reliance Industries Ltd	30	17,257	30	17,257
Steel Authority of India Limited	700	42,283	700	42,283
Subham Industries Ltd.	500	5,000	500	5,000
Sudal	100	1,944	100	1,944
S B I	10	11,532	10	11,532
Tata Gloval Beverage Ltd	550	41,932	550	41,932
Thermax	500	116,033	500	116,033
Titan Industries Ltd.	420	16,019	21	16,019
U.M.S. Radio Factory Ltd.	500	32,500	500	32,500
UCO Bank	1,000	25,132	1,000	25,132
Ultra Tech Cement	5	Nil	5	Nil
Vintage Securities Ltd.	236,700	2,305,183	236,700	2,305,183
Welspun Corporation Ltd.	25	2,762	25	2,762
<b>Unquoted</b>				
- of other than associate entities				
Century Aluminium Mfg.Co.Ltd.	323,670	3,441,860	325,870	3,463,860
Gujrat NRE Power Ltd.	1,000	14,000	1,000	14,000
Kutir Udyog Kendra (I) Ltd.	230,100	1,451,125	230,100	1,451,125
Vintage Capital Markets Ltd.	177,600	1,776,000	177,600	1,776,000
<b>Investments in Bonds</b>				
<b>Quoted</b>				
- of other than associate entities				
Dr. Reddy (Debenture)	3,120	Nil	3,120	Nil
Titan Industries Ltd.	Nil	Nil	1	Nil
<b>Total</b>		<b>18,764,730</b>		<b>18,786,730</b>
<b>Less: Provision for diminution in value of investments</b>		<b>1,686,302</b>		<b>816,214</b>
		<b>17,078,428</b>		<b>17,970,516</b>
<b>Aggregate amount of unquoted investments</b>		<b>6,682,985.00</b>		<b>6,704,985.00</b>
<b>Aggregate amount of listed and quoted investments</b>		<b>12,081,743.86</b>		<b>12,081,745.00</b>
<b>Market Value of quoted investments</b>		<b>19,433,909.00</b>		<b>27,397,297.05</b>

**NOTE : 6 : LONG-TERM LOANS AND ADVANCES**

(Unsecured, Unconfirmed, Considered good)

Security deposits

Other Long-term loans and advances

34,500	34,500
44,000	44,000
<b>78,500</b>	<b>78,500</b>

31 March, 2012

31 March, 2011

**NOTE : 7 : INVENTORIES**

(As taken, valued and certified by the Management)

Stock-in-trade

58,294	83,288
58,294	83,288

**NOTE : 8 : TRADE RECEIVABLES**

(Unsecured, Unconfirmed, Considered good)

Outstanding for a period exceeding six months from the due date of payment

Nil	18,933
NIL	18,933

**NOTE : 9 : CASH AND CASH EQUIVALENTS**

Balances with banks

- Current Account

Cash in hand (As certified by the Management)

33,325	11,047
9,499	61,722
42,824	72,769

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 42,824/-

**NOTE : 10 : OTHER CURRENT ASSETS**

Prepaid expenses

Balances with government authorities

- TDS and Income Tax (net of provisions)
- FBT (net of provisions)
- CST appeal
- WBS
- Input Tax Credit
- CVD-4%
- Income Tax Refundable
- FBT Refundable
- Service Tax
- Excise Duty

Nil	2,784
43	43
3,918	3,918
1,448	1,448
430	430
7,145	6,337
4,504	4,504
1,387	31,001
7,583	7,583
5,924	5,924
6,627	6,627
39,009	70,599

**JECO EXPORTS & FINANCE LTD.****Notes forming part of the Statement of Profit & Loss****PARTICULARS****31 March, 2012****(Amount in ₹)****31 March, 2011****NOTE : 11 : REVENUE FROM OPERATIONS**

Sale of goods	482,733	675,066
Interest income	17	1,878
Dividend income:		
from long-term investments	122,825	589,638
Adjustments to the carrying amount of investments -		
Reversal of reduction in the carrying amount of:		
long-term investments	Nil	997,684
Net gain on sale of:		
long-term investments	121,250	Nil
	<b>726,825</b>	<b>2,264,266</b>

**NOTE : 12 : OTHER INCOME**

Miscellaneous income	2,548	204
	<b>2,548</b>	<b>204</b>

**NOTE : 13 : PURCHASES OF STOCK-IN-TRADE**

Purchase of good	422,486	566,146
	<b>422,486</b>	<b>566,146</b>

**NOTE : 14 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE****Inventories at the end of the year:**

Stock-in-trade	58,294	83,288
----------------	--------	--------

**Inventories at the beginning of the year:**

Stock-in-trade	83,288	99,587
----------------	--------	--------

<b>(Increase) / Decrease</b>	<b>24,994</b>	<b>16,299</b>
------------------------------	---------------	---------------

**NOTE : 15 : EMPLOYEE BENEFIT EXPENSES**

Salaries, wages and bonus	130,628	118,131
Managerial remuneration	15,000	15,000
	<b>145,628</b>	<b>133,131</b>

**NOTE : 16 : FINANCE COST**

Interest expense	78	Nil
	<b>78</b>	<b>NIL</b>

**PARTICULARS****31 March, 2012****(Amount in ₹)**  
**31 March, 2011****NOTE : 17 : OTHER EXPENSES**

Rent including lease rentals	68,472	112,872
Repairs and maintenance	2,200	2,735
Insurance	Nil	142
Rates and taxes	24,926	21,866
Telephone and Communication	5,287	7,858
Electricity	7,550	9,600
Penalty & Fine	359	Nil
Travelling and conveyance	16,384	14,626
Printing and stationery	927	1,194
Depository Services	13,236	13,306
Transfer Agent Fees	13,429	13,236
Postage & Stamp	196	Nil
Listing Fees	16,082	16,082
Business promotion	26,733	16,028
Legal and professional fees/expenses	17,486	16,912
Payments to auditors :		
As auditors - statutory audit	12,500	12,500
- VAT audit	2,500	2,500
- Quarterly Audit	6,500	6,000
- Others	2,566	2,166
Adjustments to the carrying amount of investments -		
Reduction in the carrying amount of:		
long-term investments	870,088	Nil
Miscellaneous expenses	14,153	21,286
	<b>1,121,574</b>	<b>290,909</b>

**NOTE : 18 : EXCEPTIONAL ITEMS**

Profit on sale of Scooter	Nil	(2,562)
	<b>NIL</b>	<b>(2,562)</b>

# Segment Report as per Accounting Standard - 21

## Business Segment

(₹ in Lacs)

Particulars	Financial year 2011-12			Financial year 2010-11		
	COMMISSION	FINANCE	TOTAL	COMMISSION	FINANCE	TOTAL
REVENUE	-	7.27	7.27	-	12.69	12.69
RESULT	-	(10.38)	(10.38)	-	2.02	2.02
UNALLOCATED BUSINESS			-			-
OPERATION PROFIT			(10.38)			2.02
PROV. FOR INCOME TAX			-			-
PROV. FOR FBT			-			-
PROV. FOR DEFERRED TAX			(0.98)			1.19
PROV. FOR DIMINUTION IN VALUE OF INVESTMENT			-			9.98
NET PROFIT AFTER TAX			(11.35)			13.20
SEGMENT ASSETS	1.18	195.59	196.77	1.18	197.22	198.40
UNALLOCATED ASSETS			5.34			6.27
TOTAL ASSETS			202.11			204.67
SEGMENT LIABILITIES	-	4.04	4.04	-	4.07	4.07
UNALLOCATED LIABILITIES			195.18			196.11
TOTAL LIABILITIES			199.22			200.19

## Geographic Segments

Particulars	OVERSEAS			DOMESTIC		
	OVERSEAS	DOMESTIC	TOTAL	OVERSEAS	DOMESTIC	TOTAL
REVENUE	-	7.27	7.27	-	12.69	12.69
RESULT	-	(10.38)	(10.38)	-	2.02	2.02
UNALLOCATED BUSINESS			-			-
OPERATION PROFIT			(10.38)			2.02
PROV. FOR INCOME TAX			-			-
PROV. FOR FBT			-			-
PROV. FOR DEFERRED TAX			(0.98)			1.19
PROV. FOR DIMINUTION IN VALUE OF INVESTMENT			-			9.98
NET PROFIT AFTER TAX			(9.40)			13.20
SEGMENT ASSETS	1.18	195.59	196.77	1.18	197.22	198.40
UNALLOCATED ASSETS			5.34			6.27
TOTAL ASSETS			202.11			204.67
SEGMENT LIABILITIES	-	4.04	4.04	-	4.07	4.07
UNALLOCATED LIABILITIES			195.18			196.11
TOTAL LIABILITIES			199.22			200.19



RELATED PARTY TRANSACTIONS			
Details of related parties:			
Description of relationship	Names of related parties		
Key Management Personnel (KMP)	Amit Kumar Saha, Moulshree Jhunjhunwala, Md. Anarul Islam		
Relatives of KMP	Vijay Kumar Mohatta (Father-Moulshree Jhunjhunwala), Vikram Jhunjhunwala (Spouse-Moulshree Jhunjhunwala)		
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Kutir Udyog Kendra (I) Ltd(Director-V.K.Mohatta) , Vintage Securities Ltd.(Director-V.K.Mohatta), Vintage Capital Markets Ltd.(Director-V.K.Mohatta), Atash Properties & Finance Pvt. Ltd.(Director-V.K.Mohatta), Paramsukh Properties Pvt. Ltd.(Director-V.K.Mohatta), Century Aluminium Mfg Co Ltd(Director-Vikram Jhujhunwala), Century Extrusions Ltd.(Director-Vikram Jhujhunwala)		
Note: Related parties have been identified by the Management.			
Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:			
Amount in ₹			
Particulars	KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Rendering of services	15,000 (15,000) (Nil)	(Nil) Nil 76,218	15,000 (15,000) 76,218
Receiving of services	Nil (Nil)	(108,507) (Nil)	(108,507) (Nil)
Equity Contributions made	Nil (Nil)	Nil (483,210)	Nil (483,210)
Sale of Investments	Nil (Nil)	143,000 (Nil)	143,000 (Nil)
Balances outstanding at the end of the year			
Trade payables	Nil (Nil)	193,900.00 (117,682)	193,900 (117,682)
Note: Figures in bracket relates to the previous year			



**NOTE : 19 : ACCOUNTING POLICIES & ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENT****A) ACCOUNTING POLICIES****1 Basis of Accounting****a) General**

The Financial Statements have been prepared under the Mercantile basis and the Historical Cost Convention on the basis of 'Going Concern' Concept in accordance with the generally accepted accounting principles, the provisions of the Companies Act, 1956 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

Accounting Policies not referred to specifically, are consistent with the Generally Accepted Accounting Customs.

**b) Revenue Items**

Items of incomes and expenses are accounted for on accrual basis,

**c) Estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**2 Purchases & Sales**

Purchase & Sale are accounted for as and when the transaction takes place.

**3 Fixed Assets**

Fixed Assets are stated at cost of acquisition less accumulated depreciation / amortisation, impairment of loss, if any. Depreciation is provided on straight line method at the rates and in the manner prescribed under the Schedule XIV of the Companies Act, 1956 read with the Rules framed thereunder.

**4 Impairment of Assets**

The carrying amount of assets is reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and its value in use. In assessing the value in use, estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**5 Investments**

a) Investments are stated at cost

b) Profit / Loss is accounted for on sale / disposal.

c) Dividend is accounted for with reference to the date of receipt of dividend.

**6 Inventories**

Inventories are valued at cost or net realisable value whichever is lower.

**7 Employee Benefit**

a) Short-Term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.

b) Post employment and other long term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined.

**8 Foreign Currency Transaction****a) Income**

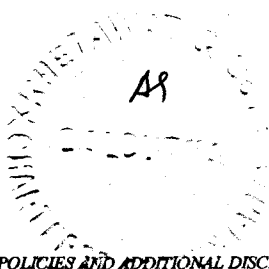
Transaction in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

**b) Expenditure**

Expenses are accounted for at the rates prevailing on the date of remittance or purchase.

**c) Exchange Difference**

Exchange Difference on receipt / payment are accounted for, on the date of receipt / payment and adjusted in the Profit & Loss Account. Assets and Liabilities related to foreign currency transactions remaining unsettled at the year-end are stated at year-end rates.





**9 Contingent Liabilities**

Contingent liabilities, if any, not provided are disclosed by way of notes to the accounts.

**10 Prudential Norms**

The Company, though not mandatory required to, has followed the prudential norms for income recognition, classification of assets and provisioning requirements as prescribed by Non-Banking Financial Companies Prudential Norms (Reserve Bank of India), Directions, 1998

**11 Taxation**

- Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the Provision of Income Tax Act, 1961 and the rules framed thereunder.
- i) Payments for Tax demands on completion of assessments and interest on income tax refunds and deposits are accounted for with reference to the dates of payments/receipts, as the case may be.  
ii) Adjustments for short/excess provisions, if any, for Income Tax/Fringe Benefit Tax for earlier years/current year are being made in accounts as and when assessments are completed.
- Deferred Tax is recognised on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted / effective on the Balance Sheet date.

**B) ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENT****1 Contingent liabilities and commitments (to the extent not provided for)**

(Amount in ₹)

Contingent liabilities

- Claims against the Company not acknowledged as debt  
(Corporation Tax & interest amounting to ₹ 78310/- (Advance paid ₹ 38000/-) imposed by K.M.C. for the period 2000-01 to 2004-05, against which appeal has been filed)

31 March, 2012	31 March, 2011
40,310.00	40,310.00

**2 Gratuity / Retirement Benefits/Leave Encashment Benefits:**

The Management has certified that there are no liabilities for Gratuity/Retirement Benefits/Leave Encashment Benefits as on 31 March, 2012.

**3 Taxation-Current Tax**

In the absence of taxable income, as per certificate of the management, under the provisions of the Income Tax Act, 1961, Provision for Income Tax for the year is not required to be made in the accounts. If there be any liability, the same will be provided as and when relative assessments are completed.

**4 Deferred Tax**

The component of Deferred Tax Asset/Liabilities are as follows:-

(Amount in ₹)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	82,422.36	92,039.04
A	82,422.36	92,039.04
<u>Tax effect of items constituting deferred tax assets</u>		
Brought forward business losses	540,041.94	458,580.24
Unabsorbed depreciation carried forward	33,304.98	26,742.61
B	573,346.92	485,322.85
Net deferred tax (liability) / asset B-A	490,925.00	393,284.00

5 Depreciation on Plant & Machinery has been provided as per practice, though there was no production during the year.

6 The provision for diminution in value on Quoted Investments as on 31.03.2012 is ₹ 16,86,302/-

**7 Impairment of Assets**

The management has certified that no provision for impairment of loss of assets as per the provisions of AS 28 issued by the Institute of Chartered Accountants of India is required to be made in the accounts as the estimated realisable value of assets including fixed assets and inventories will be more or equal to the carrying amount stated in the Balance Sheet.

8 Accounts in respect of Trade payables, Other current liabilities, Long-term Loans & Advances are subject to confirmations of respective parties.

9 In the opinion of the Management, the realisable value of all assets other than Fixed assets & Non-current Investments in the ordinary courses of business would not be less than the amount at which they are stated in the Balance Sheet. Provision for all known liabilities are provided in full in the Books of Accounts and the same are adequate and not in excess of the amount reasonably necessary.

**10 Related Party Transactions**

As per separate sheet attached

**11 Segment Report**

As per separate sheet attached

12 The Company has classified its assets in accordance with the Prudential Norms prescribed by the RBI. As on the Balance Sheet date and as explained by the Management, the Company does not hold any non-performing assets.

13 Expenditure on employees drawing the amount exceeding the limit prescribed... Nil (Previous year..... Nil)

14 Earning, Expenditure & Remittance in foreign Currency... Nil (Previous year... Nil)

**15 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

NIL

16 None of the creditors informed the company that they are Micro, Medium or Small enterprises. Accordingly information required under the Micro, Small and Medium Enterprise Development Act, 2006 could not be furnished.

**17 Additional information as required under Schedule VI to the Companies Act, 1956.**

(Amount in ₹)

Traded goods	Opening	Purchases	Sales/ Write off *	Closing
1 Thermbond Formula Activator-Jugs*	1,651	Nil	Nil	Nil
	(1,651)	Nil	Nil	(1,651)
2 Thermbond Formula 6"L" - Bags*	9,890	Nil	Nil	Nil
	(9,890)	Nil	Nil	(9,890)
3 Thermbond Formula 6"P" - Bags*	2,370	Nil	Nil	Nil
	(2,370)	Nil	Nil	(2,370)
4 Thimble A/S 7 Diameter*	2,004	Nil	Nil	Nil
	(2,004)	Nil	Nil	(2,004)
5 T Plate 500mm dia*	22,191	Nil	Nil	Nil
	(22,191)	Nil	Nil	(22,191)
6 Plastic Palls*	574	Nil	Nil	Nil
	(574)	Nil	Nil	(574)
7 Pallet Set*	1,149	Nil	Nil	Nil
	(1,149)	Nil	Nil	(1,149)
8 Plates 8"*	251	Nil	Nil	Nil
	(251)	Nil	Nil	(251)
9 Ladder	43,210	422,486	482,733	58,294
	(59,508)	(566,146)	(675,066)	(43,210)
	83,288	422,486	482,733	58,294
	(99,587)	(566,146)	(675,066)	(83,288)

Note: Figures in brackets relates to the previous year

## 18 Basic and Diluted Earning per Share

(Amount in ₹)

Particulars	31 March, 2012	31 March, 2011
Profit considered for calculating EPS (Net Profit after Tax) (₹)	(940,107.81)	1,320,467.00
Weighted average number of Equity Shares (Nos.)	1,482,000.00	1,482,000.00
Nominal Value of Equity Shares	10.00	10.00
Earning Per Share	(0.63)	0.89

## 19 Details as required by Para 9BB of Non-Banking Financial Companies, Prudential Norms (Reserve Bank) Directions, 1998

(Amount in ₹)

## A) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:

PARTICULARS	Outstanding	Overdue
a) Debentures (other than falling within the meaning of public deposits*):		
i) Secured :	Nil	Nil
ii) Unsecured:	Nil	Nil
b) Deferred Credits	Nil	Nil
c) Term Loans	Nil	Nil
d) Inter-corporate loans and borrowing	Nil	Nil
e) Commercial Paper	Nil	Nil
f) Public Deposits*	Nil	Nil
g) Other Loans (specify nature)	Nil	Nil

## B) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

PARTICULARS	Outstanding	Overdue
a) In the form of Unsecured debentures	Nil	Nil
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	Nil	Nil
c) Other public deposits	Nil	Nil

## C) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :

PARTICULARS	Outstanding	Overdue
a) Secured	Nil	Nil
b) Unsecured	78,500.00	Nil

## D) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:

PARTICULARS	Outstanding	Overdue
a) Lease assets including lease rentals under sundry debtors :		
i) Financial lease	Nil	Nil
ii) Operating lease	Nil	Nil
b) Stock on hire including hire charges under sundry debtors:		
i) Assets on hire	Nil	Nil
ii) Repossessed Assets	Nil	Nil
c) Hypothecation loans counting towards EL/HP activities		
i) Loans where assets have been repossessed	Nil	Nil
ii) Loans other than (a) above	Nil	Nil

## E) Break-up of Investments :

PARTICULARS	Current Investments		Long Term Investments	
	Quoted	Unquoted	Quoted	Unquoted
a) Shares				
i) Equity	Nil	Nil	12,081,743.86	6,682,985.00
ii) Preference	Nil	Nil	Nil	Nil
b) Debentures and Bonds	Nil	Nil	Nil	Nil
c) Units of Mutual Fund	Nil	Nil	Nil	Nil
d) Govt. Securities	Nil	Nil	Nil	Nil
e) Others	Nil	Nil	Nil	Nil
(please specify)				

42

F) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Category	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties **			
i) Subsidiaries	Nil	Nil	Nil
ii) Companies in the same group	Nil	Nil	Nil
iii) Other related parties	Nil	Nil	Nil
b) Other than related parties	78,500.00	Nil	78,500.00
Total			

G) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and quoted):

Category	Market Value / Break up or fair value or NAV	Book Value
		Net of Provisions
a) Related Parties **		
i) Subsidiaries	Nil	Nil
ii) Companies in the same group	Nil	Nil
iii) Other related parties	11,968,296.00	14,411,030.00
b) Other than related parties	7,465,612.70	2,667,397.04
Total	19,433,908.70	17,078,427.04
** As per Accounting Standard of ICAI		

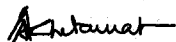
H) Other information

Particulars	Amount
a) Gross Non-Performing Assets	
i) Related parties	Nil
ii) Other than related parties	Nil
b) Net Non-Performing Assets	
i) Related parties	Nil
ii) Other than related parties	Nil
c) Assets acquired in satisfaction of debt	Nil

20 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

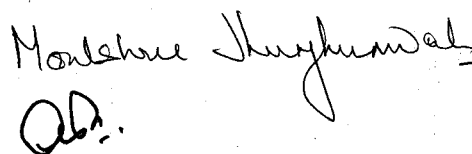
Signed in terms of our report  
of even date annexed hereto

For Khetawat & Co.  
Chartered Accountants



AAYUSH KHETAWAT  
Partner  
Membership No. : 300290

For and on behalf of the Board of  
Directors

  
Ad.

D  
I  
R  
E  
C  
T  
O  
R  
S

Place : Kolkata

Date : 3 SEP 2012

49