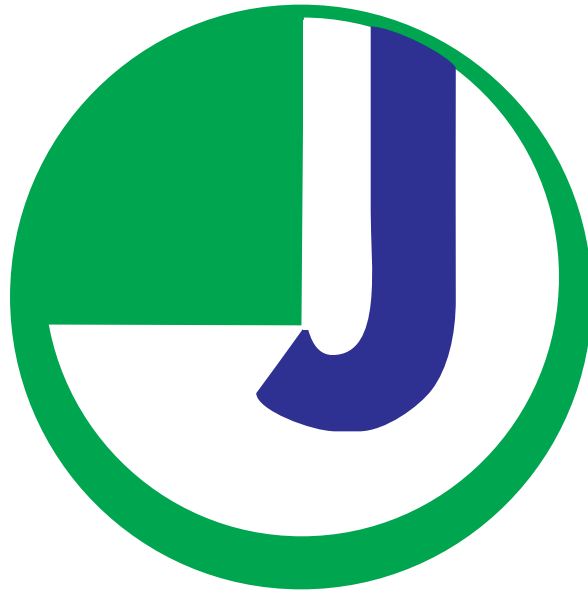


Jindal Cotex Limited

Annual Report 2010 - 11





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Annual Report 2010-11

BOARD OF DIRECTORS

Mr. Sandeep Jindal	Chairman and Managing Director
Mr. Yash Paul Jindal	
Mr. Ramesh Jindal	
Mr. Rajinder Jindal	
Mr. Aman Jindal	
Mr. Sahil Jindal	
Mr. Vijesh Gupta	
Mr. Vipin Kumar Mittal	
Mr. Nirmal Kumar Jain	
Mr. Madan Lal Arora	
Mr. Vinay Shrivastav	
Mr. Satish Kumar Gupta	

CHIEF FINANCIAL OFFICER

Mr. Ashish Jain

COMPANY SECRETARY

Mr. Anil Kumar Malhan

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited,
E/2, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka Andheri (E), Mumbai -72
Phones: (022) 28470652, (022) 40430200
Fax: (022) 28475207
Email ID: info@bigshareonline.com

AUDITORS

M/s Aggarwal Garg & Co.,
Chartered Accountants,
638/30 & 31, Thaper Market,
Industrial Area B,
Ludhiana - 141 003.

REGISTERED & CORPORATE OFFICE AND WORKS

VPO Jugiana, G.T. Road,
Ludhiana 141 420
Phones: (0161) 2511840 - 42
Fax: (0161) 2511843
E-mail: cs@jindalcotex.com

Wind Mill

J-289, Village Pithla,
Distt. Jaisalmer,
Rajasthan

UNITS

Bija, Tehsil Khanna,
Unit – II, Village Mandiala Kalan,
Distt. Ludhiana – 141 401
Phone (01628) 264842

BANKERS

Oriental Bank of Commerce
State Bank of India
Allahabad Bank
Punjab & Sind Bank
Bank of Baroda
Corporation Bank
Punjab National Bank
The Catholic Syrian Bank Ltd.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management discussion and Analysis Report, is a reflection of the current state of business of the company. It also deals with opportunities and challenges faced by your company and future outlook.

Business Review & Outlook

The Indian Textile Industry has been facing unprecedented period of difficulty, due to slowing down in the demand especially from the beginning of current financial year 2011 – 12. The uncertainties in the export policy of Government of India related to cotton fibre and cotton yarn have added to the woes of the Textile Industry. The restriction imposed by the Government on cotton yarn exports in the last quarter of the financial year 2010– 11, led to huge accumulation of cotton yarn inventory with mills leading to crashing of yarn prices even after exports allowed from April 2011. The financial stress caused by the aforesaid circumstances is likely to affect the profitability of the Textile Industry in the financial year 2011 – 12.

However, we are confident about the bright future of Textile Industry in long term. At present, Textile Industry in India is one of the most modern as compared to our competitors such as Pakistan and China.

Industry Structure and Development

The Textile Industry faces a particularly acute challenge as the price of its raw material viz. cotton, has increased by more than 100% in just last one year. The industry has not been able to take the advantage of this, despite heavy investment made, because of lack of demand, particularly in the export market where the price realization is not much remunerative. The importing countries are still not fully out of the demand recession and the adverse rupee dollar parity does not encourage exports. Unless export policies get stabilized on a sound footing, it will be difficult for the industry to improve substantially in the near future.

Technology Upgradation Fund Scheme (TUFS):

TUFS had been suspended temporarily by the Government in June, 2010. The Scheme has now been re-instated with a few changes: (i) Capital subsidy will now be available on looms for weaving as well. (ii) a 5% interest reimbursement may be given to the spinning units (against 4% earlier) if the unit is set up with matching downstream capacity in weaving/processing. (iii) A cap of Rs. 1,982 crore has been put on the total subsidy which will be given for the next one year. This has been allocated between various sectors.

The sunset clause of the scheme remains unchanged at March 31, 2012. All loans sanctioned till that date will be eligible for subsidy for the life of the loan.

Financial Analysis and Review of operations:

Product wise performance

Particulars	Year ended March 31, 2010			Year ended March 31, 2011		
	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales
Textiles						
Acrylic Yarn	4014	6371.37	43.54	3847	8309.41	30.91
Polyester Yarn	61	71.44	0.49	68	83.38	0.31
Blended Yarns	2724	3013.09	20.59	2513	3987.99	14.83
100% Cotton Yarn	141	179.26	1.23	3196	5371.27	19.98
Knitted Cloth	2361	4675.03	31.95	2840	7974.41	29.66
Acrylic Top	-	-	-	-	-	-
Fibre and others	628	255.48	1.74	2547	1107.77	4.12
Total (A)	9929	14565.67	99.54	15011	26834.23	99.81

Particulars	Year ended March 31, 2009			Year ended March 31, 2010		
	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales	Qty in MT	Sales Amount (Rs. in lacs)	As % to Total Sales
Wind Mill						
Elect. Sales	1854	66.93	0.46	1432	51.98	0.19
Total (B)	1854	66.93	0.46	1432	51.98	0.19
Total (A + B)	11783	14632.60	100	16443	26886.21	100

Financial Analysis

Revenue Break – up:

(Rs. in lacs)

Particulars	2010-11	%	2009-10	%
Sales	26886.21	99.08	14632.60	98.58
Other Income	249.57	0.92	210.32	1.42
Total Income	27135.78	100	14842.92	100

The net turnover has increased to Rs. 26886.21 Lacs in the year 2010 – 11 as against Rs. 14632.60 Lacs in the year 2009 – 10, showing thereby an increase of 83.74%.

Profitability

(Rs. in lacs)

Particulars	2010-11	% of turnover	2009-10	% of turnover
Profit before depreciation, interest and tax	3328.24	12.38	1371.32	9.37
Interest	1080.18	4.02	309.94	2.12
Profit before Depreciation	2248.06	8.36	1061.38	7.25
Depreciation	929.10	3.46	308.38	2.11
Profit before tax	1318.96	4.91	753.00	5.15
Tax	273.82	1.02	43.68	0.30
Profit after Tax	1045.14	3.89	709.32	4.85

The EBIDTA margin increased from 9.37% in the year 2009-10 to 12.38% in the year 2010-11 on account of better sales realization. Depreciation on fixed assets is 3.46% of total sales during the current year and 2.10% in the previous year.

Interest / Financial expenses increased from Rs. 309.94 lacs for Financial Year 2009-10 to Rs. 1080.18 lacs for Financial Year 2010-11. Increase in interest cost is due to availment in TUF term loans & working capital loans for expansion project.

No dividend has been proposed by the company since the company is going for expansion projects in the coming year.

Resource Utilization

a) Fixed Assets

The gross fixed assets as at 31st March 2011 are Rs. 14862.52 lacs as compared to Rs. 11038.50 lacs in the previous year. The net fixed assets (including work – in – progress & capital advances) as on 31st March 2011 are Rs.15314.07 lacs as compared to Rs. 10137.47 lacs in the previous year.



MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

b) Investments

The Company has made investments in its subsidiaries to the tune of Rs. 7095.00 lacs as on March 31, 2011 by way of equity capital.

c) Current Assets

Sundry debtors of the Company are Rs. 3409.98 lacs in the year 2010-11 as against the Rs. 1090.42 lacs in the previous year. Inventory level is at Rs. 5229.85 lacs in the year 2010-11 as against Rs. 1906.07 lacs in the previous year. Cash and cash equivalents increased from Rs. 505.87 lacs in the year 2009-10 to Rs. 14134.78 lacs in the year 2010-11.

Risk and Concerns

Factors that may affect results of operations

- Fluctuation and increase in raw material prices.
- Non-availability of raw material and other resources
- Supply of Power
- New Competitive products
- Government rules and regulations relating to Textiles Industry.
- Any slowdown in the economic growth in general in particular.

The Company continues to follow a suitable strategy to modify its risk profile by eliminating and significantly reducing key business risks.

One of the major challenges to the textile industry is the continued appreciation in the Indian rupee against US dollar, which has serious implication on textile exports. Another important issue is availability, quality and the price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to the input cost pressure in the industry. We hope that power situation will improve in the near future. Our major raw material-Cotton is agriculture produce, which suffers from climatic volatility in the major cotton producing countries. In addition, growing demand

as well as overall increase in prices of commodities in the world has pushed up the prices of domestic cotton leading to pressure on the textile industry. The differentiated treatment for different sectors of textile industry in government policy is also a serious setback in its development. The proposal to withdraw export incentives on cotton yarn exports can be seen in this respect. We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements and improved customer services to mitigate the growing cost pressure.

Adequacy of Internal Control Systems

The Company has proper and adequate system of internal control, to safeguard assets against loss from unauthorized use or disposition. This also ensure that all transactions are authorized, recorded and reported correctly. Regular internal audit and checks are carried out to check the existence of adequate system. The management also reviews the internal control systems and procedures to ensure its application. The Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

Material Development in terms of Human Resources

Human Resources are considered to be a form of Capital and Wealth of the Company. It has been the focus of the management to improve and expand the contribution of its human resources towards attainment of organizational goals and values.

The Company keeps the objective of believing in empowerment and delegation with a balancing of authority and responsibility in our organization where talent can bloom. During the year, the company has employed 1001 workers.

Cautionary Statement

Statements in this report on Management Discussion & Analysis, describing the Company's objectives, projections and estimates may be forward looking, considering the applicable laws and regulations. Theses statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied, depending upon the economic conditions, Government policies and other incidental factors.



DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 14th Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March 2011.

1. Financial Results & Performance Review

(Rs. In Lacs)

Particulars	2010-11	2009-10
Turnover & Other Income	27135.78	14842.92
Profit Before Depreciation, Interest, & Tax (PBDIT)	3328.24	1371.32
Interest and Financial Expenses	1080.18	309.94
Profit Before Depreciation & Tax (PBDT)	2248.06	1061.38
Depreciation	929.10	308.38
Profit Before Tax (PBT)	1318.96	753.00
Less - Provision for Tax (Including Deferred Tax)	273.82	43.68
Profit for the year (PAT)	1045.14	709.32
Add - Surplus brought forward From previous Year	1520.23	810.91
Profit available for Appropriations	2565.38	1520.23
Appropriations		
Proposed Dividend	-	-
Bonus Shares Issued	-	-
Surplus Carried to Balance Sheet	2565.38	1520.23

Your company has registered all around progress during the year under review. The company is continued to its commitment to make itself in international standards of quality, operational performance, efficiency and customer care.

The Highlights of our performance for the year 2010-11 are:

- The Gross Turnover of the company has increased to Rs. 271.35 Crores during the financial year 2010-11 as against Rs. 148.42 Crores in the corresponding previous financial year, registering a growth of 82.82 %.
- Net Profit has increased to Rs.10.45 Crores in the year 2010-11 from Rs.7.09 Crores in the year 2009-10, registering an increase of 47.39% due to better sales realization. Your company has been able to achieve this result by proper utilization of the resources available to the company, despite there are adverse market conditions, like, huge competition and other factors such as sharp increase in commodity price, oil price, high inflation, higher interest rate and increase in power rates etc.

2. Dividend

Your directors have decided to conserve the resources for the ongoing expansion plans and hence do not recommend any dividend for the year under review.

3. Management Discussion & Analysis Report

The Management Discussion and Analysis of financial conditions and results of operation of the Company for the year under review is attached to this Report.

4. Further Issue of Securities i.e. GDRs & Utilization of its Proceeds

During the year, under review your company has issued 50,00,000 GDRs (Global Depository Receipt) on 30th June, 2010 at US\$ 7.75 per Global Depository Receipt representing 2,00,00,000 equity shares of the company and raised US\$ 38.75 Million. The above said GDRs are listed on the Luxembourg Stock Exchange. The company has utilized US\$ 8.00 Million abroad towards capital payments as per objects of offering circular and as on 31st March, 2011, US\$ 30.50 Million has been kept abroad in foreign currency. The foreign exchange fluctuation on account of GDR's proceeds kept in foreign currency has been adjusted with the Securities Premium Account.

5. Subsidiaries

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards are attached to and form part of the Annual Report. The Ministry of Corporate Affairs, Government of India has granted exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the holding company. Annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the holding and subsidiary companies' seeking such information at any point of time.

Further, the annual accounts of the subsidiary companies will also be kept for inspection by any shareholders at the head office i.e. Registered Office of the holding company and that of the subsidiary companies concerned.

The company has the following subsidiaries:

JINDAL MEDICOT LIMITED

This 100% subsidiary of our company has set up the technical textile project at Village Thathal, Tehsil Amb, District Una, Himachal Pradesh for the manufacturing of products like cotton crepe bandage, absorbent cotton, cotton balls, pads, dental rolls etc. The company has started its production and successfully commissioned the plant in the financial year 2011-12. The term loan taken by the company from banks for the project are covered under TUFS and getting 5% interest subsidy on term loan and 10% capital subsidy on the specified machinery. The company has achieved sale of Rs. 554.38 Lacs from its trading activities.

JINDAL SPECIALTY TEXTILES LIMITED

This is 100% subsidiary of our company is setting up facilities for manufacturing of products like frontlit banner, fabric, general tarpauling, truck sidings etc.. The project has been set up at Thathal, Tehsil Amb, District Una, Himachal Pradesh in a land measuring approximately 400 Kanals. The proposed project by the Jindal Specialty Textiles Limited is a step by the company to diversify in the field of technical textiles. The company has entered into an agreement for technical know how with M/s Wonpoong Corporation, Korea. The Wonpoong Corporation will provide technology exclusively to our company in India for ten years. The products manufactured by Jindal Specialty Textiles Limited will be import substitute and find usage in various Industries.



DIRECTOR'S (Contd.)

HIMACHAL TEXTILE PARK LIMITED

Himachal Textile Park Limited the another subsidiary of your company has set up the Textile Park in the state Himachal Pradesh and shall provide land and necessary infrastructure facilities to the participant units. Jindal Medicot Limited and Jindal Specialty Textiles Limited has set up their technical textile projects in this Textile Park.

JINDAL METALEX LIMITED

This 100% subsidiary of the company is incorporated on 25.11.2010 and proposes to engage in the business of manufacturing and trading of all kinds of metals including iron & steel etc. The company has not yet started its operations.

JINDAL INFRABIZ LIMITED

This 100% subsidiary of the company is incorporated on 23.11.2010 and proposes to engage in the business of promotion and development of Industrial Parks, Textile Parks and Special Economic Zones etc..The company has not yet started its operations.

Further, our company has also set up foreign subsidiary at UAE to expand its presence globally in the current financial year.

6. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Sh. Vijesh Gupta, Sh. Nirmal Kumar Jain, Independent Directors and Sh. Ramesh Kumar Jindal and Sh. Rajinder Kumar Jindal, Executive Directors of the Company retire by rotation at the ensuing Annual General Meeting and are being eligible, offer themselves for re-appointment.

During the year, under review, the Board of Directors has appointed Mr. Aman Jindal and Mr. Sahil Jindal as additional & Executive Directors and Mr. Vinay Shrivastav and Mr. Satish Kumar Gupta as additional & Independent Directors with effect from 25th October, 2010. All these Directors hold office till the date of ensuing annual general meeting and the company has received notice from members proposing the candidature of all these directors for being appointed as Director of the company.

7. Corporate Governance

The Company has an in-place system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance of the Listing Agreement is annexed to the report.

8. Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies (Amendment) Act, 2000, with respect to Directors responsibility statement, the Directors hereby confirm that:-

- In the preparation of Annual Accounts the applicable Accounting Standards have been followed and that there are no material departures;
- They have selected such Accounting Policies and applied them consistently and made prudent judgments & estimates that are reasonable 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 profits of the company as on date;

- They have taken proper & sufficient care for the 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 & detecting the fraud and other irregularities;
- The Annual Accounts have been prepared on 'going concern basis'.

9. Auditors

M/s. Aggarwal Garg & Co., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

The Company has received the certificate from them, confirming that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such an appointment, within the meaning of sub-section (3) and (4) of Section 226 of the Companies Act, 1956.

10. Energy Conservation, Technology Absorption & Foreign Exchange

As regard disclosure under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 a statement showing particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this report.

11. Fixed Deposits

During the year, your company has not accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956 and the Rules made thereunder.

12. Particulars of Employees

The information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, is NIL.

13. Industrial Relations

Industrial relations remained cordial throughout the year and the Directors express their appreciation towards the workmen for their co-operation and hope for continued cordial relations in the years to come.

14. Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Bankers, Government Departments, Shareholders and other Business Associates for their continued and valuable co-operation & support extended to the company.

We take this opportunity to place on record our warm appreciation for the employees at all levels for their dedicated services and valuable contributions towards the growth of the Company.

For and on behalf of Board of Directors

(Sandeep Jindal)
Chairman and Managing Director

Date: 12th August, 2011
Place: Ludhiana



ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under section 217(1)(e) read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011:-

I. CONSERVATION OF ENERGY

FORM A

PARTICULARS	UNIT	2010-11	2009-10
A. POWER & FUEL CONSUMPTION			
a) Electricity purchased			
Units	KWH in lacs	268.34	145.36
Amount	Rs. In lacs	1425.61	737.57
Rate per unit	Rs. Per unit	5.31	5.07
b) Own generation			
Through Diesel Generator	KWH In lacs	18.01	17.33
Units per litre	Units	3.46	3.32
Cost of Diesel/LDO	Rs. In lacs	180.67	173.35
Rate per unit	Rs. Per unit	10.03	10.00
B. CONSUMPTION PER UNIT OF PRODUCTION			
Synthetic and Cotton Yarn	KWH/Kg	2.67	2.40

II. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption are furnished as per Form B of the Annexure to the Rules are as under:-

A) RESEARCH AND DEVELOPMENT (R&D)

a) Specific areas in which Research & Development is carried out by the company

Research & Development is carried out for improvement in the production process, appraisal of alternative raw materials and quality of existing products.

b) Benefits derived as a result of above R&D

The company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.

c) Future Plan of Action

- 1 Increase in Productivity
- 2 Reduction in operational costs

d) Expenditure on R&D : Nil

B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

a) Efforts made

The company is making efforts for adaption of latest technology in all its units, optimization of processes and efficient utilization of inputs on on-going basis.

b) Particulars of technology imported in the last five years

- a) Technology Imported NIL
- b) Year of Import N.A.
- c) Has the technology been fully absorbed N.A.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

Sr. No.	Particulars	2010-11	2009-10
A)	Foreign Exchange Earning		
	● FOB value of Exports	937.17	198.67
B)	Foreign Exchange Outgo		
	● Raw Material	0.00	729.44
	● Capital Goods and Advances	336.70	1149.81
	● Stores & Spares	3.10	4.58
	● Foreign Travelling Expenses	21.79	11.69
	● Interest on Foreign currency loans	197.32	148.02
	● Fees & Taxes	0.00	1.45
	● GDR Issue Expenses	582.46	0.00



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Your Company believes Corporate Governance for an entity means conducting business in a fair, ethical and transparent manner with an objective to maximize shareholders wealth and fulfills all its responsibilities towards the community, customers, employees, Government and other segments of the society at large.

2. Board of Directors

a) Composition

The Board of Directors of your company has an optimum combination of executive and non executive directors having rich knowledge and experience in Industry & other sectors for providing strategic guidance and direction to the company.

Presently, the company has twelve Directors on its Board with an Executive Chairman. The number of Non-Executive Directors is six and all of them being independent Directors. The Executive Directors are expert in handling diverse nature of business of the Company. The Independent Directors are professionals in their field and possess background

of financial, legal and secretarial fields. The non-executive independent Directors bring a wide range of expertise and experience to the Board.

The composition of the Board is in consonance with Clause 49 of the Listing Agreement. During the year, there was no pecuniary relationship or business transaction by the company with any non-executive director.

b) Meetings of Board and its Committees

Meetings of Board and its committee were held as and when required. During the year, under review, the Board of Directors met 14 times on 26.04.2010, 28.05.2010, 05.06.2010, 22.06.2010, 30.06.2010, 05.07.2010, 12.08.2010, 18.08.2010, 25.10.2010, 13.11.2010, 10.12.2010, 02.02.2011, 14.02.2011 and 24.03.2011.

The names, categories of the Directors on the Board, their attendance at the Board Meeting during the year and the last Annual General Meeting, and also the number of directorships and Committee membership held by them in other companies are given as per the detail in following table:-

Name of Directors	Designation	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of directorships of other Indian public limited companies	No. of Chairmanship/ membership of committees in other Companies
Sh. Sandeep Jindal	Chairman and Managing Director	Promoter, Executive	14	YES	7	Nil
Sh. Yash Paul Jindal	Whole time Director	Promoter, Executive	14	YES	7	Nil
Sh. Ramesh Jindal	Whole time Director	Promoter, Executive	14	YES	7	Nil
Sh. Rajinder Jindal	Whole time Director	Promoter, Executive	14	YES	7	Nil
Sh. Aman Jindal	Whole time Director	Promoter, Executive	5	N.A.	7	Nil
Sh. Sahil Jindal	Whole time Director	Promoter, Executive	5	N.A.	7	Nil
Sh. Madan Lal Arora	Director	Non Executive, Independent	12	YES	2	Nil
Sh. Nirmal Kumar Jain	Director	Non Executive, Independent	12	NO	1	Nil
Sh. Vipin Mittal	Director	Non Executive, Independent	11	NO	Nil	Nil
Sh. Vijesh Gupta	Director	Non Executive, Independent	12	NO	Nil	Nil
Sh. Satish Kumar Gupta	Director	Non Executive, Independent	5	N.A.	Nil	Nil
Sh. Vinay Shrivastav	Director	Non Executive, Independent	5	N.A.	Nil	Nil

Sh. Yash Paul Jindal, Sh. Ramesh Jindal, Sh. Rajinder Jindal, Sh. Sandeep Jindal, Sh. Aman Jindal and Sh. Sahil Jindal are related to each other.



CORPORATE GOVERNANCE REPORT (Contd.)

c) Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and senior management of the company. The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the code of conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of report.

d) Directors Shareholding in the Company as on 31st March, 2011 as under:

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	3139218	6.98
Sh. Sandeep Jindal	1312998	2.92
Sh. Ramesh Jindal	3642216	8.09
Sh. Rajinder Jindal	3606576	8.01
Sh. Aman Jindal	845640	1.88
Sh. Sahil Jindal	810000	1.80

None of other director holds any share in the equity share capital of the company.

3. Audit Committee

The Audit Committee of the company comprises of the following members namely Sh. Vijesh Gupta, Chairman, Sh. Madan Lal Arora and Sh. Nirmal Kumar Jain. All members of audit committee have wide exposure and posses sound knowledge in the area of accounts, finance, audit, internal control etc. Sh. Vijesh Gupta, Chairman of the committee is a Chartered Accountant. Mr. Anil Kumar, Company Secretary is the secretary and convener of the meeting.

The terms of reference of the Audit Committee cover all matters as are specified in clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. During the year 2010-11, the audit committee met on four occasions. The minutes of audit committee meetings are placed before the Board of Directors in the subsequent board meetings.

The attendance of the members of the audit committee is mentioned below:-

Name of Director	Category	No. of Meetings held & attended
Sh. Vijesh Gupta	Non Executive and Independent Director	4
Sh. Madan Lal Arora	Non Executive and Independent Director	4
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	4

4. Remuneration Committee

The Remuneration Committee of the company comprises of the following members namely Sh. Nirmal Kumar Jain, Sh. Vipin Kumar Mittal and Sh. Vijesh Gupta. Sh. Nirmal Kumar Jain is the Chairman of the Committee. During the year 2010-11, the Remuneration committee met on two occasions as under :-

a) Attendance of Remuneration Committee :

Name of Director	Category	No. of Meetings held & attended
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	2
Sh. Vipin Kumar Mittal	Non Executive and Independent Director	2
Sh. Vijesh Gupta	Non Executive and Independent Director	2

The Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the Remuneration of the Directors and to deal with all elements of the Remuneration package of all the directors including but not restricted to the following:-

- To review, assess and recommend the appointment and remuneration of Managing and Whole time Directors.
- To review the remuneration package including the retirement benefits, payable to the Directors periodically and recommend suitable revision / increments, whenever required, to the Board of Directors.

b) Remuneration to Directors:

The company pays remuneration by way of salary to its Managing and Whole Time Directors with in the limits approved by the shareholders and subject to overall ceiling stipulated in accordance with the provision of Section 198 & Section 309 of the Companies Act, 1956. The remuneration paid or payable to the Directors for services rendered during 2010-11 is given as under:

(Rs in lacs)

Name of Directors	Salary	Perquisites and Allowances	Commission	Total
Sh. Sandeep Jindal	15.00	-	-	15.00
Sh. Yash Paul Jindal	12.00	-	-	12.00
Sh. Rajinder Jindal	12.00	-	-	12.00
Sh. Ramesh Jindal	12.00	-	-	12.00
Sh. Aman Jindal	1.25	-	-	1.25
Sh. Sahil Jindal	1.25	-	-	1.25
Total	53.50	-	-	53.50

No remuneration has been paid to independent and non executive directors.

5. Shareholder/Investor's Grievances Committee

The Shareholders/Investor's Grievance Committee of the company comprises of the following members namely



CORPORATE GOVERNANCE REPORT (Contd.)

Sh. Madan Lal Arora, Sh. Vijesh Gupta, Sh. Vipan Kumar Mittal and Sh. Sandeep Jindal. Sh. Madan Lal Arora is the Chairman of the said Committee. Mr. Anil Kumar, Company Secretary of the company, is the compliance officer for this committee.

The Shareholders/Investor's Grievance Committee of the Board, looks into the redressal of investor's complaints viz. non-receipt of annual report, dividend payments etc. and matters related to share transfer, issue of duplicate share certificate, dematerializations etc..

The committee meets frequently to dispose of Investors complaints/request as and when required. During the year, under review, the Shareholders/Investor's Grievance Committee met on four occasions as under:-

Name of Director	Category	No. of Meetings held & attended
Sh. Madan Lal Arora	Non executive and Independent Director	4
Sh. Vijesh Gupta	Non Executive and Independent Director	4
Sh. Vipan Kumar Mittal	Non Executive and Independent Director	4
Sh. Sandeep Jindal	Executive and Non Independent Director	4

6. Annual General Meetings

The details of the last three annual general meetings are given as follows:-

Date & time	Year	Venue	No. of Special Resolution Passed
28.09.2010 at 10.00 A.M.	2009-10	Regd. Office: V.P.O. Jugiana, G.T. Road, Ludhiana	2
11.07.2009 at 11.00 A.M.	2008-09		NIL
04.07.2008 at 11.00 A.M.	2007-08		3

The company has not passed any resolution through postal ballot during the previous year. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

7. Disclosures:

- a. Subsidiaries Companies
 - i. The Audit Committee of the Company reviews the financial statements of subsidiary companies and in particular the project expenditure made by subsidiary companies.
 - ii. The minutes of Board meeting of subsidiary companies are periodically placed before the Board of the company. The Board is periodically informed about all the significant transactions and arrangements entered into by the subsidiaries companies.

b. Related Party transaction

The details of Related Party transactions are given in Note No.10 Part B of Schedule 19 of the Audited Accounts of the company for the Year ended 31.03.2011. There were no material transactions during the year 2010-11 that are prejudicial to the interest of the company.

c. Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2010-11.

d. GDRs Issue

During the year, under review your company has issued 50,00,000 GDRs (Global Depository Receipt) on 30th June, 2010 at US\$ 7.75 per Global Depository Receipt representing 2,00,00,000 equity shares of the company and raised US\$ 38.75 Million. These GDRs are listed on the Luxembourg Stock Exchange and represent approximately 44.44% of the subscribed and paid up equity share capital of the company. The company has utilized US\$ 8.00 Million abroad towards capital payments as per objects of offering circular and as on 31st March, 2011, US\$ 30.50 Million has been kept abroad in foreign currency. The foreign exchange fluctuation on account of GDR's proceeds kept in foreign currency has been adjusted with the Securities Premium Account.

e. Detailed Management Discussion and analysis Report have been included in this Annual Report.

f. The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. At present, the company has not adopted the non-mandatory requirements of clause 49 except constitution of remuneration committee.

8. Statutory Compliance, Penalties and Strictures

The Company has complied with statutory compliances and no penalty or stricture is imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last year.

9. Means of Communication:

- a. The quarterly/annual results of the company have been forwarded to the Listed Stock Exchanges and also published in daily newspapers viz English Newspaper 'Financial Express'/'Economics Times' and Punjabi newspaper 'Desh Sewak'
- b. The results of the company are also made available at the website of the company www.jindalcotex.com.
- c. The Company has posted information relating to its financial results on corporate filing and dissemination system at www.corpfiling.co.in.



CORPORATE GOVERNANCE REPORT (Contd.)

10. General Shareholders information:

- a. 14th Annual General Meeting
 Date : 30th September, 2011
 Time : 10.00 A.M.
 Place : V.P.O. Jugiana, G.T. Road, Ludhiana
- b. Financial Year : April 1 to March 31
- c. Listed on stock : The Bombay Stock Exchange Limited (BSE)
 Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai – 400 001
 National Stock Exchange of India Limited (NSE)
 Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
- (Listing fee for the year 2011 – 12 has been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.)
- d. Stock Code
 BSE : 533103
 NSE : JINDCOT
- e. ISIN No:- NSDL : INE904J01016
 CDSL : INE904J01016
- f. Market Price Data:
 The month wise highest and lowest and closing share prices of the company from vis – a – vis BSE Sensex during the year from April, 2010 to March, 2011 is given below:-

Month	Share Price of Jindal Cotex Ltd				BSE Sensex			
	High	Low	Closing	% change over last month's closing	High	Low	Closing	% change over last month's closing
April, 2010	93.70	80.85	86.20	6.2	18047.86	17276.80	17558.71	0.18
May, 2010	87.50	79.30	82.55	-4.2	17536.86	15960.15	16944.63	-3.50
June, 2010	123.40	81.90	121.10	46.7	17919.62	16318.39	17700.90	4.46
July, 2010	131.50	102.55	116.00	-4.2	18237.56	17395.58	17868.29	0.95
August, 2010	158.50	115.00	145.05	25.0	18475.27	17819.99	17971.12	0.58
September, 2010	164.95	136.00	148.60	2.5	20267.98	18027.12	20069.12	11.67
October, 2010	153.35	129.00	140.80	-5.3	20854.55	19768.96	20032.34	-0.18
November, 2010	156.40	118.05	126.15	-10.4	21108.64	18954.82	19521.25	-2.55
December, 2010	147.30	81.50	116.85	-7.4	20552.03	19074.57	20509.09	5.06
January, 2011	123.50	85.25	89.65	-23.3	20664.80	18038.48	18327.76	-10.64
February, 2011	107.90	77.00	98.50	9.9	18690.97	17295.62	17823.40	-2.75
March, 2011	117.40	93.75	101.30	2.8	19575.16	17792.17	19445.22	9.10

g. Share Transfer System:

- The company has appointed M/s. Bigshare Services Private Limited, RTA, E/2 Ansa Industrial Estate, Saki Vihar Road, Sakinaka Andheri (E), Mumbai – 72 as the Registrar and transfer agent for the Equity shares of the Company to provide services in both physical and electronic mode.
- The authority relating to share transfer has been delegated to the Share Transfer Committee. The members of this committee are Shri. Nirmal Kumar Jain, Shri Vijesh Gupta, both non executive independent directors. This committee deals with various matters relating to share transfer through transfer agent of the Company. As per the arrangement with Transfer Agents, the list of valid transfers prepared by them in respect of share transfer cases and objections, if any, is placed before the share transfer committee of the company. Valid demat requests are cleared twice in a week. The Share Transfer Committee met 12 times during the financial year 2010-11.

- Pursuant to clause 47(c) of the Listing agreement entered with the Stock Exchanges, certificate on half yearly basis, have been issued by Company Secretary in practice for due compliance of share transfer formalities by the Company.

h. Distribution Schedule as on 31/03/2011:

No. of Shares	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total shares held
Upto 5000	5866	97.3772	1306115	2.9023
5001-10000	45	0.7470	328359	0.7296
10001-20000	25	0.4150	367506	0.8166
20001-30000	22	0.3652	570551	1.2678
30001-40000	6	0.0996	220473	0.4899
40001-50000	14	0.2324	652075	1.4490
50001-100000	14	0.2324	979232	2.1759
Above 100000	32	0.5312	4057829	90.1689
	6024	100	45003140	100



CORPORATE GOVERNANCE REPORT (Contd.)

i. Shareholding Pattern as on 31/03/2011:

Category	No. of	% to total paid up Share capital
Promoter and Promoter Group	13750000	30.55
Financial Institutions Investors	1196600	2.66
Bodies Corporate	7275493	16.17
NRI	74875	0.17
GDRs	20000000	44.44
Public (Individual)	2706172	6.01
TOTAL	45003140	100

j. Dematerialization of Shares and Liquidity:

As on 31st March, 2011, 98.18% of the Equity Capital was in dematerialized form with NSDL and CDSL. The shares of the company are traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited and have good liquidity.

k. During the year 2010 – 11, the company has issued 5,000,000 GDRs (Global Depository Receipts) on 30.06.2010 representing 20000000 equity shares. These GDRs are listed on Luxembourg Stock Exchange. As on 31.03.2011, GDRs 5,000,000 are still outstanding.

l. Plant Locations:-

- VPO Jugiana, Ludhiana (Punjab)
- Village Mandiala Kalan, Bija, (Punjab)
- Wind Mill – J – 289, Village Pithla, Jaisalmer (Rajasthan)

Plant Location of subsidiaries:-

Jindal Medicot Limited
VPO Thathal, Tehsil Amb,
District Una, Himachal Pradesh

Jindal Specialty Textiles Limited
VPO Thathal, Tehsil Amb,
District Una, Himachal Pradesh

m. Corporate and Registered Office:

V.P.O. Jugiana, G.T. Road,
Ludhiana – 141420
Tel. No. 0161 – 2511840/41/42,
Fax No. 0161- 2511843
Email ID: ipo@jindalcotex.com
Website: www.jindalcotex.com

n. Registrar and Transfer Agent:

Bigshare Services Private Limited
E/2 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka
Andheri (E), Mumbai – 72,
Fax: 022- 28475207,
Tel. No. : 022-28470652, 022-40430200
Email :info@bigshareonline.com

o. Compliance Officer:

Mr. Anil Kumar,
Company Secretary
Email ID: cs@jindalcotex.com



DECLARATION OF CHAIRMAN AND MANAGING DIRECTOR

As provided under Clause 49 of the listing agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Jindal Cotex Ltd Code of Business Conduct and Ethics for the year ended March, 31, 2011.

Date : 12th August, 2011
Place : Ludhiana

Sandeep Jindal
Chairman and Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S)

To
The Members of
Jindal Cotex Ltd

We have examined the compliance of the conditions of Corporate Governance by Jindal Cotex Limited for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR AGGARWAL GARG & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. : 004745N

Date : 12th August, 2011
Place : Ludhiana

(PAWAN KUMAR GARG)
PARTNER
Membership No. 083139



AUDITORS' REPORT

The Members,
Jindal Cotex Limited

1. We have audited the attached Balance Sheet of Jindal Cotex Ltd. as at 31st March 2011 and also the Profit & Loss Account and the cash flow statement of the company 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 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 from material misstatement. 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 the 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 (Auditor's Report) Order, 2003 {as amended by the Companies (Auditors' Report) (Amendment) Order, 2004} issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as are considered appropriate and according to information and explanation given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent to which it is applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3, we report as follows :-
 - 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 accounts, as required by law, have been kept by the company so far as appears from our examination of the books;

- c) The Balance sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Account.
 - d) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
 - e) On the basis of written representations received from the directors as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31.03.2011 from being appointed as a Director of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 5 In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the schedules and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India :
- I) In case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2011 and :
 - II) In case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date :
 - III) In case of the cash flow statement, of the cash flow of the Company for the year ended on that date :

**FOR AGGARWAL GARG & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. : 004745N**

**(PAWAN KUMAR GARG)
PARTNER
Membership No. 083139**

**Date : 28.07.2011
Place : Ludhiana**



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our Report of even date on the Accounts of Jindal Cotex Ltd. for the Year ended as on 31st March, 2011)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:-

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us the fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies have been noticed by the management on such verification.
- c) According to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. a) According to the information and explanations given to us the Physical verification of finished goods, stores & spares parts and Raw Materials was conducted by the Management where ever practicable at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is 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. As explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.
3. a) The company has granted unsecured loans to two companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956. The amount outstanding at the close of the year is Rs 1454.21 lac.
- b) According to the information and explanation given to us, the terms and conditions of loan are prima facie not prejudicial to the interests of the company and it has been granted interest free as per the objects of the issue and the payment of principal amount is also regular.
- c) The company has taken unsecured loans from 06 person covered in the register maintained u/s 301 of the companies Act, 1956. The amount involved in the transaction is Rs 1314.92 Lacs. The amount payable at the close of the year is Rs 1376.06 lacs.
- d) According to the information and explanation given to us, the rate of interest and other terms and conditions of the loans are prima facie not prejudicial to the interests of the company and the payment of principal amount and interest are also regular.
4. In our opinion and according to the information and explanation 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 the purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control procedures.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
 - a. The particulars of the contracts or arrangements referred to in section 301 needed to be entered into the register, maintained under the said section have been so entered.
 - b. In our opinion and having regard to our comments in paragraph above, the transactions exceeding the value of Rs. 5.00 Lacs in respect of any parties during the current year have been made at the prices which are prima facie reasonable having regard to prevailing market prices at the relevant time where such prices are available.
6. In our opinion and according to the information and explanation given to us, the company has not accepted any deposit pursuant to the provisions of section 58-A of the Companies Act, 1956.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the companies act, 1956 as prescribed by the central government and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not conducted detailed examination to check its accuracy and completeness.
9. In respect of statutory dues:
 - a. According to the information and explanations given to us, and as per the records of the company, we are of the opinion that the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Cess, Service Tax, and any other statutory dues if any applicable with the appropriate authorities.
 - b. According to the information & explanations given to us, and as per the records of the company, the company has not deposited disputed statutory dues on account of matters pending before the appellate authorities in respect of sales tax demand of Rs 134.14 lacs (previous year 104.36 lacs) raised by Sales Tax Authorities under Punjab Vat Act 2005 and VAT exemption of Rs 1245.52 lacs (utilized Rs 417.29 lac up to 31.03.11) on the basis of eligibility certificate issued by District Industries centre, which is disputed by concerned Sales tax Authority under Punjab general Sales tax 1948 & Punjab Vat act 2005.



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10. The company has no accumulated losses and has not incurred any cash loss during the current financial year under audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank, financial institutions, or debenture holders.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is a manufacturing company and therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given Corporate guarantees of Rs 138.00 cr for loans taken by its subsidiaries from banks and financial institutions and the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the Term Loans have been applied for the purpose for which they were raised.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis 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 during the current year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. As per information and explanation given to us no debentures have been issued by the company.
20. We have verified that the end use of the money raised by way of public issue is as disclosed in the notes to the Financial statements.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

**FOR AGGARWAL GARG & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. : 004745N**

**(PAWAN KUMAR GARG)
PARTNER
Membership No. 083139**

**Date : 28.07.2011
Place : Ludhiana**



Jindal Cotex Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
I. SOURCES OF FUNDS			
(1) Share Holders' Funds :			
a) Share Capital	1	450,031,400	250,031,400
Share Application Money		-	-
b) Reserves & Surplus	2	2,535,096,617	943,947,579
(2) Loan Funds :			
a) Secured Loans	3	1,471,155,949	899,276,397
b) Unsecured Loans	4	137,606,085	6,243,277
TOTAL		4,593,890,051	2,099,498,653
II. APPLICATION OF FUNDS			
(1) A. Fixed Assets :			
a) Gross Block	5	1,486,251,871	1,103,849,441
b) Less : Depreciation		380,943,099	293,692,512
c) Net Block		1,105,308,772	810,156,929
d) Capital Work in Progress		426,098,085	203,590,617
		1,531,406,857	1,013,747,546
(2) Investments :	6	709,700,000	651,000,000
(3) Current Assets, loans and advances :	7		
a) Inventories		522,985,071	190,606,936
b) Sundry Debtors		340,998,064	109,042,256
c) Cash & Bank balances		1,413,477,873	50,586,962
d) Loans and advances		469,922,430	281,697,656
Total Current Assets (A)		2,747,383,438	631,933,810
Less : Current Liabilities & Provisions :	8		
a) Current Liabilities		368,312,397	184,385,483
b) Provisions		26,287,847	12,797,220
Total Current Liabilities (B)		394,600,244	197,182,703
Net Current Assets =(A-B)		2,352,783,194	434,751,107
(5) Miscellaneous expenditure (to the extent not written off or adjusted)	9	-	-
TOTAL		4,593,890,051	2,099,498,653
Significant Accounting Policies and Notes on Accounts	19		

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
INCOME			
Gross Sales and Operating Income		2,691,014,739	1,463,750,752
Less:- Excise Duty		2,393,292	490,925
Net Sales and Operating Income		2,688,621,447	1,463,259,827
Other Income	10	24,957,222	21,032,260
TOTAL I		2,713,578,669	1,484,292,087
EXPENDITURE			
Cost of Materials Consumed / Sold	11	2,357,107,837	1,164,410,873
Manufacturing Expenses	12	188,440,458	117,776,253
Personnel Expenses	13	86,660,709	50,704,474
Administrative Expenses	14	23,863,567	12,090,925
Financial Expenses	15	108,017,623	30,994,212
Selling Expenses	16	11,179,140	3,073,134
Decrease/(Increase) in stocks of Work-in-Process and Finished Goods	17	(286,497,746)	(895,703)
Depreciation		92,909,503	30,837,998
TOTAL II		2,581,681,091	1,408,992,165
Profit before Tax-(I-II)		131,897,578	75,299,922
Provision for Taxation :			
Current Tax		26,287,847	12,797,220
Deferred Tax		-	(9,357,614)
Adjustment for earlier years		1,094,405	928,071
Profit after Tax		104,515,327	70,932,245
Profit / (Loss) brought forward from last years		152,022,927	81,090,682
Balance available for Appropriation		256,538,253	152,022,927
Balance Carried to Balance Sheet		256,538,253	152,022,927
Earning Per Share	18	-	-
Basic		2.61	3.65
Diluted		2.61	3.65
Significant Accounting Policies and Notes on Accounts	19		

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	31.03.2011 (Rs.)	31.03.2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	131,897,578	75,299,922
Adjustment For: -		
Depreciation	92,909,503	30,837,998
Foreign Exchange Fluctuation Gain	(1,136,250)	(15,185,263)
Interest Received	(20,816,416)	(2,623,331)
Interest Expense	108,017,623	30,994,212
Profit on sales of fixed assets	(917,244)	-
Provision For Tax	(26,287,847)	(12,797,220)
Previous year Income Tax	(1,094,405)	(928,071)
Operating Profit before working capital Changes	282,572,542	105,598,246
Adjustment For		
Trade & Other Receivables	(231,955,807)	(32,506,501)
Loans and advances	(65,106,448)	(100,233,338)
Inventories	(332,378,135)	(73,475,890)
Sundry Creditors & Payables	197,417,540	112,572,320
NET CASH FLOW FROM OPERATING ACTIVITIES	(149,450,307)	11,954,838
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(610,943,870)	(498,956,708)
Sale of Fixed Assets	1,292,300	-
Investment in Baroda Pioneer Equity Fund	(200,000)	-
Investment in Subsidiaries	(181,618,327)	(650,008,460)
NET CASH FLOW FROM INVESTING ACTIVITIES	(791,469,897)	(1,148,965,168)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	123,250,624	291,574,618
Proceeds from Short term borrowings	448,628,928	37,967,050
Foreign Exchange Flucation Gain	1,136,250	15,185,263
Interest Received	20,816,416	2,623,331
Interest Expense	(108,017,623)	(30,994,212)
Proceeds from Unsecured Loans	131,362,808	(5,008,500)
Net Proceeds from Issue of Equity Shares	1,686,633,712	791,414,092
NET CASH FLOW FROM FINANCING ACTIVITIES	2,303,811,115	1,102,761,642
Net increase/(decrease) in cash & Cash equivalents	1,362,890,911	(34,248,688)
Cash and Cash Equivalent at beginning of year	50,586,962	84,835,650
Cash and Cash Equivalent at the end of year	1,413,477,873	50,586,962
Significant Accounting Policies and Notes on Accounts	19	

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



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Schedules 1 to 19 Annexed to and forming part of the Balance Sheet as at 31.03.2011 and Profit & Loss Account for the year ended as on 31.03.2011

	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE 1 - SHARE CAPITAL				
Authorised				
60,000,000 Equity Shares (Previous Year 27,000,000) of Rs. 10/- each		<u>600,000,000</u>		<u>270,000,000</u>
Issued, Subscribed & Paid-up				
45003140 Equity Shares (Previous Year 25,003,140) of Rs. 10/- each (Of the Above Shares 4,801,596 shares (Prev year 4,801,596 shares) are allotted as Bonus Shares Fully Paid Up of Rs. 10/- each by way of Capitalisation of Profits)		<u>450,031,400</u>		<u>250,031,400</u>
Total		<u>450,031,400</u>		<u>250,031,400</u>
SCHEDULE 2 - RESERVE & SURPLUS				
	2009-10	2010-11		
(a) Securities Premium Account Balance as per last year Balance Sheet	66,780,900	791,924,652		
Add:- Received during the year	<u>809,707,210</u>	<u>1,600,000,000</u>		
	<u>876,488,110</u>	<u>2,391,924,652</u>		
Less: IPO/GDR Expenses Adjusted	<u>84,563,458</u>	<u>58,088,630</u>		
Less: Foreign Currency fluctuation for GDR	-	<u>55,277,658</u>	2,278,558,364	791,924,652
(b) Surplus				
As per Profit & Loss Account			<u>256,538,253</u>	<u>152,022,927</u>
			<u>2,535,096,617</u>	<u>943,947,579</u>
SCHEDULE 3 - SECURED LOANS				
From Banks				
(a) Working Capital Borrowings				
i) In Foreign Currency		<u>112,741,250</u>		<u>159,326,000</u>
ii) In Indian Rupees		<u>517,486,320</u>		<u>90,950,511</u>
		<u>630,227,570</u>		<u>250,276,511</u>
(b) Bill Discounted				
i) In Foreign Currency		-		-
ii) In Indian Rupees		<u>8,276,338</u>		<u>1,164,455</u>
		<u>8,276,338</u>		<u>1,164,455</u>
(c) Term Loan				
i) In Foreign Currency		<u>31,045,000</u>		<u>36,864,000</u>
ii) In Indian Rupees		<u>650,045,348</u>		<u>520,975,724</u>
		<u>681,090,348</u>		<u>557,839,724</u>
(d) Short Term Loan				
i) In Indian Rupees		<u>151,561,693</u>		<u>89,995,707</u>
		<u>151,561,693</u>		<u>89,995,707</u>
		<u>1,471,155,949</u>		<u>899,276,397</u>

Notes:-

- Working capital Borrowings are secured by way of Hypothecation of stocks of all kinds, Receivables and all other current assets of the company and further collaterally secured by equitable mortgage on immovable properties of the company including leasehold land. Working Capital borrowings includes Rs.6.64 Crores availed under Warehousing finance and the same is secured against the pledge of Raw Cotton.
- Bill discounted limits are secured by way of export bills discounted. Bill discounted in indian rupees is further secured by way of charge on movable assets of the company.
- Term Loan are secured against hypothecation all movable properties of the company and equitable mortgage of all immovable properties of the company including leasehold land.
- Amount Repayable for Term loan with in one year is Rs. 10,39,43,744/- (Previous Year Rs. 4,04,51,871)
- Short Term Loan is secured by Corporate Guarantee and property of Jindal Cycles Pvt. Ltd.
- All the above facilities are further secured by personal guarantee of the promoter directors of the company.

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 4 - UNSECURED LOANS		
From Directors	<u>1,506,085</u>	<u>5,722,090</u>
From Inter Corporate Loan	<u>136,100,000</u>	<u>471,187</u>
From Others	-	<u>50,000</u>
	<u>137,606,085</u>	<u>6,243,277</u>



SCHEDULE 5 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1-Apr-10 (RS)	ADDITION DURING THE YEAR (RS)	SALE/ADJ DURING THE YEAR (RS)	AS AT 31-Mar-11 (RS)	AS AT 1-Apr-10 (RS)	PROVIDED DURING THE YEAR (RS)	ADJ. DURING THE YEAR (RS)	AS AT 31-Mar-11 (RS)	AS AT 31-Mar-11 (RS)	AS AT 31-Mar-10 (RS)
Tangible Assets (A)										
Land	44004635.00	0.00	0.00	44004635.00	0.00	0.00	0.00	0.00	44004635.00	44004635.00
Factory Building	48336816.66	0.00	0.00	48336816.66	29842927.96	1849388.87	0.00	31692316.83	16644499.83	18493888.70
Building	156502500.14	48824198.01	0.00	205326698.15	5622118.94	4690334.58	0.00	10312453.52	195014244.63	150880381.20
Plant & Machinery	705922207.99	312463639.82	1946880.00	1016438967.81	225252243.62	77063616.84	1904195.00	300411665.46	716027302.35	480669964.37
Weigh Bridge & Scales	1297029.25	24609.00	0.00	1321638.25	504009.20	51355.58	0.00	555364.78	766273.47	793020.05
Electric Installations	51073734.05	7274084.63	0.00	58347818.68	11415847.55	2427501.04	0.00	13843348.59	44504470.09	39657886.50
Office Equipments	2347937.34	1385905.38	0.00	3733842.72	858436.89	146280.13	0.00	1004717.02	2729125.70	1489500.45
Computers	3952867.21	1218292.89	0.00	5171160.10	2345256.97	478686.63	0.00	2823943.60	2347216.50	1607610.24
ERP Software	4765709.00	0.00	0.00	4765709.00	471019.00	772521.00	0.00	1243540.00	3522169.00	4294690.00
Cars	15259779.00	15601666.00	4069092.00	26792353.00	8650304.02	1547448.88	3750087.60	6447665.29	20344687.71	6609474.98
Scooter	46000.00	0.00	18000.00	28000.00	8058.00	2660.00	4633.00	6085.00	21915.00	37942.00
Vehicles	2962570.00	548842.00	0.00	3511412.00	814282.68	306753.35	0.00	1121036.03	2390375.97	2148287.32
Furniture & Fixtures	1629620.28	975464.80	0.00	2605085.08	955529.44	97149.63	0.00	1052679.07	1552406.01	674090.84
Wind Mill	65748035.00	0.00	0.00	65748035.00	6952477.46	3471496.25	0.00	10423973.71	55324061.29	58795557.54
Total	1103849440.93	388316702.53	6033972.00	1486132171.46	293692511.73	92905192.78	5658915.60	380938788.91	1105193382.55	810156929.20
Intangible Assets (B)										
Trademarks	0.00	119700.00	0.00	119700.00	0.00	4310.14	0.00	4310.14	115389.86	0.00
G.Total (A+B)	1103849440.93	388436402.53	6033972.00	1486251871.46	293692511.73	92909502.92	5658915.60	380943099.05	1105308772.41	810156929.20

Note:-

- Intangible assets are not internally generated.
- Plant and Machinery includes Rs. 120230181 and Building includes Rs. 44963598 for the amount allocated out of project preoperative expenses.
- Borrowing costs amounting to Rs. 20750719 has been capitalised during the year.

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 6 - INVESTMENTS		
Long term Investment at cost		
Investment In Subsidiaries		
Unquoted - Other than Trade		
M/s Jindal Medicot Limited	300,500,000	260,500,000
(50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up and 3750000 (prev. yr. 3250000) shares @ Rs.10/-each fully paid up at a premium of Rs 70 /- per share)		
M/s Jindal Specialty Textiles Ltd.	405,500,000	300,500,000
(50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up and 4050000 (prev. yr. 3000000) shares @ Rs.10/-each at a premium of Rs.90/- each)		
M/s Himachal Textile Park Ltd	2,500,000	-
(250000 (prev. yr. Nil) Equity Shares of Rs 10/- each fully paid up)		
M/s Jindal Metalex Ltd	500,000	-
(Formerly known as Jindal Foods & Beverages Ltd.) (50000 (prev. yr. Nil) Equity Shares of Rs 10/- each fully paid up)		
M/s Jindal Infrabiz Ltd	500,000	-
(50000 (prev. yr. Nil) Equity Shares of Rs 10/- each fully paid up)		
Share Application Money	-	90,000,000
(Pending allotment with Jindal Specialty Textiles Ltd.)		
Aggregate Value of Unquoted Investments	(A) 709,500,000	651,000,000
Others		
Quoted Investments - Other than Trade		
BARODA PIONEER PSU EQUITY FUND	(B) 200,000	-
(20000 units of Rs. 10 each)		
(Market Value as on 31.03.2011 is Rs. 1,63,600.00)		
	2009-10	2010-11
	-	200,000
Aggregate Value of Quoted Investment		
Total Investment at cost	(A+B) 709,700,000	651,000,000



	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 7 - CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
1. Inventories		
(As taken, valued and certified by the management)		
Raw Materials	156,067,967	100,911,883
Finished Goods	320,141,081	39,205,762
Stock in Process	18,747,296	20,992,246
Waste	16,116,126	8,308,750
Store & Spares	11,912,601	21,188,296
	<u>522,985,071</u>	<u>190,606,936</u>
2. Debtors		
(Unsecured considered good)		
Outstanding for a period more than six months	36,570,279	174,662
Others	304,427,785	108,867,594
	<u>340,998,064</u>	<u>109,042,256</u>
3. Cash & Bank Balances		
Cash in hand (Including Imprest)	1,972,138	2,063,542
Balance with Scheduled Banks (Euram Bank)		
In Current Accounts	38,730,735	13,416,755
In Fixed Deposit kept as Margin Money with Banks	10,950,000	13,612,000
Balance with foreign Banks	1,361,825,000	-
(Maximum balance at anytime during the year was Rs 1,800,000,000)		
(This is the unutilized money out of the GDR issue)		
	<u>1,413,477,873</u>	<u>50,586,962</u>
(B) LOANS & ADVANCES		
(Unsecured considered good)		
Advances to Subsidiaries	145,420,959	22,302,632
Advances to subsidiaries against Supplies	12,284,493	15,473,247
(Advances recoverable in cash or in kind or for value to be received)		
Securities	11,099,154	15,539,496
Govt.Duties/Taxes recievable	87,953,214	104,940,879
Advance against supplies	22,086,902	21,323,740
Advance Payment of Taxes	5,040,429	2,631,381
Other Advances	186,037,279	99,486,280
	<u>469,922,430</u>	<u>281,697,656</u>



	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 8 - CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES :		
SUNDRY CREDITORS		
1. (a) Due to Micro, small & Medium Enterprises	353,980	4,112,547
(b) Others	327,510,736	147,462,480
(c) For Capital Goods	2,433,633	15,112,067
2. Advances from customers	185,320	3,030,916
3. Other Liabilities	23,964,608	14,667,474
4. Cheques issued but not presented for payment	13,864,120	-
	<u>368,312,397</u>	<u>184,385,483</u>
B. PROVISIONS :		
Provision for Taxation : Current Income Tax	26,287,847	12,797,220
	<u>394,600,244</u>	<u>197,182,703</u>
SCHEDULE 9 - MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Opening Balance	-	700,000
Addition during the year	1,650,000	-
Less:- Adjusted with Securites Preimum Account	(1,650,000)	(700,000)
	<u>-</u>	<u>-</u>
SCHEDULE 10 - OTHER INCOMES		
Interest Income	20,816,416	2,623,331
Foreign Exchange Fluctuation (Net)	1,136,250	15,185,263
Foreign Exchange Fluctuation (Export)(Net)	934,223	1,361,291
Profit on sale of fixed assets	917,244	-
Misc income	319,953	699,800
Drawback income	833,136	1,162,575
	<u>24,957,222</u>	<u>21,032,260</u>
SCHEDULE 11 - COST OF MATERIALS		
Opening Stock	100,911,883	30,100,093
Add:- Purchases	2,412,263,921	1,235,222,662
	<u>2,513,175,804</u>	<u>1,265,322,755</u>
Less : Closing Stock	156,067,967	100,911,883
Cost of Materials consumed	<u>2,357,107,837</u>	<u>1,164,410,873</u>
SCHEDULE 12 - MANUFACTURING EXPENSES		
Power & Fuels	137,239,310	89,457,857
Packing Materials Consumed	26,479,387	9,469,787
Building Repair & Maintenance	1,023,038	327,362
Machinery Repair & Maintenance	17,472,496	13,832,333
Electric Repair & Maintenance	3,078,166	2,369,662
Production Expenses	3,148,061	2,319,252
	<u>188,440,458</u>	<u>117,776,253</u>



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	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 13 - PERSONNEL EXPENSES		
Salary, Wages & Bonus	68,166,825	39,152,007
Contribution to Provident & other Funds	9,093,691	4,885,266
Employee Welfare	3,771,513	4,221,442
Recruitment Expenses	231,965	166,527
Director Remuneration	5,350,000	2,231,250
Notice Pay	46,715	47,982
	<u>86,660,709</u>	<u>50,704,474</u>
SCHEDULE 14 - ADMINISTRATIVE & OTHER EXPENSES		
Vehicle Repair & Maintenance	699,187	614,834
Car Repair & Maintenance	1,251,634	1,047,291
Scooter Repair & Maintenance	28,713	575
Travelling Expenses	3,291,304	777,402
Wind Mill Expenses	50,613	-
Telephone Expenses	1,375,183	854,478
Internet Expenses	445,159	71,680
Loading & Unloading Charges	2,493,034	983,782
Printing & Stationery	650,650	639,894
Postage & Telegram	158,212	89,820
Software Expenses	-	10,300
Local Conveyance	246,989	208,801
Legal & Professional Charges	1,205,864	931,046
ERP Implementation Charges	703,829	270,276
Meeting Expenses	787,938	-
Lease Rent	144,000	178,500
Rent Worker Colony (U-II)	206,468	-
Insurance	817,793	420,792
Godown Rent	60,000	60,000
Annual Maint Chgs/ Wind Mill AMC	1,331,913	1,228,258
Revenue Stamps	2,190	1,450
Horticultural Expenses	7,112	19,380
General Expenses	197,599	156,545
Festival Expenses	231,822	242,799
Fees & Taxes/ Subscriptions	1,405,647	1,486,639
Entertainment Expenses	264,081	121,999
Director Travelling Expenses	3,499,297	613,438
Charity & Donation	1,107,400	233,350
Computer Repair & Maintenance	142,208	86,518
Training Expenses	10,966	-
Books & Periodicals	11,054	12,606
Audit Expenses	14,598	12,429
Service Tax	590,566	400,584
Audit Fees	220,600	176,480
Share Trf & Listing Fees	209,075	138,978
Short & Excess	869	-
	<u>23,863,567</u>	<u>12,090,925</u>



	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 15 - FINANCIAL EXPENSES		
Interest on Bank Borrowings	99,110,018	26,054,997
Interest on Purchase	4,099,199	598,635
Bank Charges	4,808,406	3,905,580
Interest on Unsecured Loans	-	435,000
	<u>108,017,623</u>	<u>30,994,212</u>
SCHEDULE 16 - SELLING & DISTRIBUTION EXPENSES		
Advertisement	490,179	167,136
Clg & Forwarding chgs	-	139,568
Sales Commision	3,387,575	352,317
Export Expenses	4,208,173	1,264,702
Freight & Octroi Outward	222,763	377,001
Commission on export	1,383,528	725,241
Freight & Cartage	6,810	21,000
Sales Promotion	-	8,925
Rebate & Discount	1,480,112	17,244
	<u>11,179,140</u>	<u>3,073,134</u>
SCHEDULE 17 - DECREASE/(INCREASE) IN STOCKS		
Opening Stock		
Finished Goods	39,205,762	55,703,296
Stock in Process	20,992,246	10,257,156
Stock of Waste	8,308,750	1,650,602
Total A	<u>68,506,757</u>	<u>67,611,054</u>
Closing Stock		
Finished Goods	320,141,081	39,205,762
Stock in Process	18,747,296	20,992,246
Stock of Waste	16,116,126	8,308,750
Total B	<u>355,004,503</u>	<u>68,506,757</u>
Decrease/(Increase) in Stocks (A - B)	<u>(286,497,746)</u>	<u>(895,703)</u>
SCHEDULE 18 - EARNING PER SHARE		
Net Profit/(Loss) as per Profit and loss a/c	104,515,327	70,932,245
Weighted Avg. No. of Equity Shares in calculation of Basic & Diluted Earning Per Share	40,003,140	19,406,006
Earning/(Loss) Per Share		
Basic	2.61	3.65
Diluted	2.61	3.65



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES.

1. a) Accounting convention

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

b) Going Concern Convention

The accounts of the company have been prepared on going concern basis.

c) Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of 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 recognized in the period in which the results materialise.

2. Revenue Recognition:

a) Sales:

Sales comprise sale of goods, services and export incentives net of excise duty, sales tax/VAT and trade discount. Revenue from sale of goods is recognized:

- i) When all the Significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

b) Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

c) Export Benefits/Incentive:

Revenue in respect of the above benefit is recognized on post export basis.

d) Insurance and Other Claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized.

3. Retirement/ Other Employee Benefits

(a) Gratuity

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.

(b) Provident Fund

Contribution to Provident Fund is made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and charged to the Profit & Loss Account.

(c) Leave with wages

Provision for leave with wages is made on the basis of leave accrued to the workers during the financial year.

4. Fixed Assets

Fixed assets are stated at the values at which they are acquired, less accumulated depreciation and cenvat credit if availed. The cost of fixed assets included interest on borrowing attributable to acquisition of fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of asset.

5. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortization.

6. Capital Work in Progress

Projects under commissioning and other Capital Work in Progress are carried at Cost, comprising direct cost, related incidental expenses, indirect expenditure and attributable interest related to that project.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

7. Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- In case of raw material at actual cost determined on FIFO basis plus direct expenses.
- In case of Stores and spares at weighted average cost.
- In case of Work in process at raw material cost plus appropriate proportion of direct labour and overheads.
- In case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads.

8. Impairment of Assets

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.

9. Depreciation

Depreciation is provided in accordance with and in the manner and at the rates specified in schedule XIV to the Companies Act, 1956 as under:

- a) on written down value basis for assets acquired prior to 06/03/2006 and
- b) on straight line basis for assets acquired after that date.

10. Foreign Currency Conversion/Translation

Purchase and Sales are accounted at exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at Balance Sheet date are translated at rates prevailing at the year end and the resultant net gains or losses are recognized as income or expense in the year in which they arise except the net variation arising on account of such conversion in case of liabilities incurred for acquisition of fixed assets is adjusted to the cost of the respective fixed asset.

11. Borrowing Costs

Borrowing cost attributable to construction periods is capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

12. Investments

Long term investments are carried at cost, less provision for diminution, in value of such investments. Current Investments are carried individually at lower of Cost and fair value.

13. CENVAT Credit

The CENVAT Credit of excise duty if any availed on inputs and capital goods is accordingly reduced from the purchase cost of related inputs or capital goods as the case may be.

14. Accounting for Taxes on Income

Provision for tax if any, is based on the assessable profits computed in accordance with the provisions of Income Tax Act 1961 and the Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

15. Cash Flow Statement

The company has prepared the Cash Flow Statement using the Indirect Method in compliance of Accounting Standard issued by The Institute Of Chartered Accountants of India (AS-3).

16. Segmental Reporting

The company is principally engaged in the business of textiles (mainly manufacturing of yarn of different kinds and trading of knitted cloth & acrylic top etc.) and the project of wind mill (for generation of electricity for re-sale.) The company is also operating in different geographical segments. The relevant information about these segments are given as part of Notes on Accounts.

17. Earning per share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS.

1. Contingent Liabilities –

Sr. no.	There are contingent liabilities in respect of the following items:	As at 31.03.2011 Rs.in Lacs	As at 31.03.2010 Rs.in Lacs
	Claims/Notices contested by the Company		
1	Letter of credit established for purchase of capital goods and due in next year	-	321.32
2	Duty saved upon procurement of machinery pending fulfillment of export obligation.	1380.31	2312.82
3	Vat Exemption which is available on the basis of eligibility certificate issued by District Industries Centre, Ludhiana but the same is disputed by concerned sales tax authorities.	417.29	417.29
4	Demand raised by sales tax authorities and the same is disputed by the company.	134.14	104.36
5.	Corporate Guarantee given to Banks for grant of Term Loan to Subsidiaries	16275.00	13800.00
6.	Bank Guarantee issued in favour of Bombay Stock Exchange	-	46.70

2. Estimated amount of contracts remaining to be executed on capital account (net of advances)

	2010-11	2009-10
	Rs. 9283.05 lacs	Rs. 1424.60 lacs
3. a) Payment to Auditors :	2010-11	2009-10
i) Statutory Audit fees.	Rs. 204055.00	Rs. 163244.00
ii) Tax audit fees.	Rs. 16545.00	Rs. 13236.00
iii) Other expenses.	Rs. 14598.00	Rs. 12429.00

- Previous year's figures have been recast/ regrouped wherever necessary to make these comparable with current year's figures.
- All figures have been rounded off to nearest rupees.
- Figures in brackets indicate deductions.
- In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the balance sheet and adequate provisions have been made for all known liabilities and depreciation in the books of accounts.
- During the year a total remuneration of Rs.5350000.00 (Previous year Rs. 5100000.00) have been paid to the director of the Company in accordance with the provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956.
- The Land on which building of Unit-I is constructed, is taken on leasehold basis.
- Related Party Disclosure :

Disclosure of Related Parties and relationship between the parties:

Associates	:	Jindal Cycles Private Limited, Jindal Fine Industries
Key Management Personnel	:	Mr. Sandeep Jindal, Mr. Yash Paul Jindal, Mr. Ramesh Jindal, Mr. Rajinder Jindal, Mr. Aman Jindal, Mr. Sahil Jindal.
Relatives of KMP	:	Manu Jindal
Subsidiaries	:	Jindal Medicot Limited Jindal Specialty Textiles Limited Jindal Metalex Limited (formerly known as Jindal Foods and Beverages Ltd.) Jindal Infrabiz Limited Himachal Textile Park Limited



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Nature of Transaction with related parties:

Particulars	Associates		Key Management Personnel		Relatives of KMP		Subsidiaries	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	60,000	60,000	144,000	144,000	-	-	-	-
Purchase	-	-	-	-	-	-	5,67,26,779	1,23,23,878
Salary paid	-	-	-	-	4,23,500	4,45,500	-	-
Interest Paid	-	4,35,000	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	52,77,161	-
Managerial Remuneration	-	-	5,350,000	5,100,000	-	-	-	-
Loan Given-Balance Outstanding as at the end of year(Receivable)	-	-	-	-	-	-	14,54,20,959	2,23,02,632

11. Segment information for the year ended 31st March, 2011

(a) Information about Primary Business Segments

(Rs in lacs)

	Textile		Wind Mill		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue:						
External (Net of Excise)	26834.24	14565.67	51.97	66.93	26886.21	14632.60
Inter-segment	-	-	-	-	-	-
Total Revenue	26834.24	14565.67	51.97	66.93	26886.21	14632.60
Result:						
Segment Result	1410.97	797.96	(38.50)	(22.65)	1372.47	775.31
Unallocated Expenditure					53.50	22.31
Profit before Tax					1318.97	753.00
Provision for Tax					273.82	43.68
Profit After Tax					1045.15	709.32

	Textile		Wind Mill		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Assets	42234.66	15868.85	553.24	587.96	42787.90	16456.81
Segment Liabilities	19706.90	10635.01	326.72	392.01	20033.62	11027.02
Capital Expenditure	2815.03	5060.47	-	-	2815.03	5060.47
Depreciation	894.39	273.67	34.71	34.71	929.10	308.38

(b) Information about Secondary Geographical Segments

Revenue by geographical market

	India		Asia (other than India)		Central America		America North & South		Europe		Africa		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
External	25966.13	14433.93	573.38	70.94	0.00	39.65	203.09	43.41	41.3	0.00	126.25	44.67	26910.15	14632.60
Inter-segment														
Total	25966.13	14433.93	573.38	70.94	0.00	39.65	203.09	43.41	41.3	0.00	126.25	44.67	26910.15	14632.60

(c) Notes:

(i) Management has identified two reportable business segments, namely:

- Textile: – Production of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn and other Blended Yarns.
- Energy Generation: - Generation of Energy from Wind Mill.
- Segments have been identified and reported taking into account the nature of products.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

- (ii) The segment in the geographical segments considered for the disclosure are as follows:-
- India: comprising of sales to customers located within India and earnings in India
 - Asia (other than India) : comprising of sales to customers located in Asia.
 - Central America: comprising of sales to customers located in Central America.
 - America North & South: comprising of sales to customers located in America North & South.
 - Africa: comprising of sales to customers located in Africa.
- (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

12. Deferred Tax Liability (Net) as on 31st March 2011 is as follows: (Rs. In lacs)

	Current Year	Previous Year
Liability on account of Timing Difference Depreciation	548.20	322.30
Less: Deferred Tax Asset arising on account of timing difference for expenses allowable for tax purposes when paid, miscellaneous Expenditure incurred but allowed in future, unabsorbed losses, and MAT credits available (but restricted to the extent of defferd Tax liability as a matter of prudence)	548.20	322.30
Net Deferred Tax Liability	Nil	Nil

13. Small Scale Industrial Undertakings having outstanding exceeding Rs. 1.00 lac, which is outstanding for over a period of more than 30 days is Nil (Previous year 7.11 lacs).The Company has not made any delays in settlement of balances due to small scale undertakings and hence no provision for interest on delayed payment is required. Further, there are no outstanding amounts payable beyond the agreed period to small, micro and medium enterprises as on the Balance Sheet date to extent such enterprises have been identified, based on the information available with the Company.
14. The Institute of Chartered Accountants of India has issued an Accounting Standard – 28 on Impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004. In accordance with the said standards, the company has assessed as on date of applicability of the aforesaid standard and as well as on balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.
15. During the year under review, the company raised funds to the tune of USD 38.75 million (by issue of 2,00,00,000 equity shares of Rs. 10/- each at a premium of Rs 80/- per share) through GDR issue out of which advance of USD 8.25 million has been given. The GDR expenses and the Foreign Exchange Fluctuation on a/c of GDR proceeds kept in foreign currency pending for realization has been adjusted with securities premium a/c.
16. The information required by Para 3 & 4 of part II of Schedule VI to the Companies Act, 1956.

(A) CAPACITY

Location		LICENCED CAPACITY		INSTALLED CAPACITY	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
Existing Unit at Jugiana	Spindles	23472	23472	23472	23472
Expansion Unit II At Mandiala Kalan	Spindles	50400	50400	28800	21600
---Do---	Dying Unit	6 Ton/Per day	6 Ton/Per day	Nil	Nil
---Do---	Garment Unit	3000 Pcs/ Per Day	3000 Pcs/ Per Day	Nil	Nil
Vill. Pithala, Distt. Jaisalmer, Rajasthan.	Wind Mill	NIL	NIL	1250 KW	1250 KW

Installed capacity is as certified by the management, but not verified by the auditors being technical matter.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(B) ACTUAL PRODUCTION

Particulars/Year	2010-2011	2009-2010
Acrylic Yarn (Kgs)	3884698.25	3912101.850
Polyester Yarn (Kgs)	29490.75	95098.000
Polyester Blended Yarn (Kgs)	2636547.55	2500277.450
100% Cotton Yarn	4172631.28	260496.740
Waste (Kgs)	2258262.78	737630.400
Electricity (Units)	1431857	1854072

(C) PURCHASE OF FINISHED GOODS

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Knitted Cloth	2643197.418	6587.86	2557167.466	4823.27
Traded Yarn	0.00	0.00	242.000	0.00

(D) SALES

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Acrylic Yarn	3846654.30	8309.41	4013834.300	6371.37
Polyester Yarn	68150.85	83.38	61200.000	71.44
Blended Yarn	2513194.00	3987.99	2723174.756	3013.09
100% Cotton Yarn	3196010.17	5371.27	140978.860	179.26
Waste	2223593.15	904.75	581873.000	194.89
Scrap/Others	167018.16	21.52	0.000	3.43
Acrylic Fibre	11058.40	19.25	NIL	NIL
Polyster Fibre	31184.60	27.76	NIL	NIL
Knitted Cloth	2839609.18	7974.41	2360755.696	4675.03
Blended Yarn(Trading)	-	-	37107.10	50.87
Raw Cotton	113661.80	134.49	9401.000	6.29
Electricity (Units)	1431857	51.98	1854072	66.93

(E) STOCK PARTICULARS OF FINISHED GOODS

i) OPENING STOCK

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Acrylic Yarn	50628.730	88.34	147330.580	183.55
Polyester Yarn	38765.630	40.99	4867.630	4.26
Blended Yarn	102808.350	110.65	325068.896	302.05
100% Cotton Yarn	118565.320	146.01	-	-
Traded Yarn	1218.500	6.05	38088.600	67.17
Waste	196293.700	83.09	40536.300	16.51
Knitted Cloth	196411.776	458.11	0.000	0.00

ii) CLOSING STOCK

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Acrylic Yarn	89113.68	193.97	50628.730	88.34
Polyester Yarn	102.53	0.15	38765.630	40.99
Blended Yarn	226666.5	443.28	102808.350	110.65
100% Cotton Yarn	1115002.01	2562.83	118565.320	146.01
Traded Yarn	472.50	1.18	1218.500	6.05
Waste	234651.33	161.16	196293.700	83.09
Knitted Cloth	NIL	NIL	196411.776	458.11



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SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(F) RAW MATERIAL CONSUMED

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Manmade Fibre/ raw Cotton	13124858.90	17025.10	7520974.840	7171.60

Including quantity & value of raw material sold and cotton tie yarn.

Including value of direct expenses i.e. freight & octroi etc.

(G) CIF VALUE OF IMPORTS.

Particulars/Year	2010-2011 (Rs. In lacs)	2009-2010 (Rs. In lacs)
Raw material	0.00	729.44
Components & Spare Parts	3.10	4.58
Capital Goods/ Advances	336.70	1149.81

(H) EXPENDITURE/INCOME IN FOREIGN CURRENCY

Particulars/Year	2010-2011 (Rs. In lacs)	2009-2010 (Rs. In lacs)
Foreign Travelling Expenses	21.79	11.69
Interest on FCNRB Loans	197.32	148.02
FOB Value of Exports	937.17	198.67
Fees & Taxes	-	1.45
GDR Issue Expenses	582.46	-

(I) VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL, COMPONENTS & SPARE PARTS CONSUMED/ SOLD

Particulars/Year	2010-2011		2009-2010	
	VALUE (Rs. In lacs)	(%)	VALUE (Rs. In lacs)	(%)
(I) Raw Material				
Imported	0.00		729.44	10.17
Indigenous	17025.10	100.00	6442.16	89.83
(II) Components & spare parts				
Imported	3.10	1.08	4.58	11.73
Indigenous	283.03	98.92	133.74	88.27

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Information pursuant to Part IV of Schedule VI to the Companies Act, 1956)

I) REGISTRATION DETAILS

Registration No.	21084
State Code	16
Balance Sheet Date	31st March, 2011

II) CAPITAL RAISED DURING THE YEAR

GDR Issue (Shares inc. share premium)	1800000000/-	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Thousands)

Total Assets	4593890	Total Liabilities	4593890
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SOURCES OF FUNDS

Paid up Capital	450032	Share Application Money	NIL
Reserves & Surplus	2535097	Deferred Tax Liability	NIL
Secured Loans	1471156	Unsecured loans.	137606

APPLICATION OF FUNDS

Net Fixed Assets (Including Capital Advances)	1531407	Investments	709700
Net Current Assets	2352783	Miscellaneous Expenditure	NIL
Accumulated Losses.	-		

IV) PERFORMANCE OF THE COMPANY

Turnover including other Income	2713579	Total Expenditure	2581681
Profit/Loss before Tax	131898	Profit/Loss after Tax	104515
Earnings per share (In Rs.) (Weighted Average)	2.61	Dividend Rate (%)	NIL

V) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY. (As per Monetary Terms)

Item Code No.	55.09
Product Description	ACRYLIC YARN
Item Code No.	52.06
Product Description	BLENDED YARN
Item Code No.	52.05
Product Description	COTTON YARN

SCHEDULE 1 TO 19 FORMS AN INTEGRAL PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT.

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



CONSOLIDATED RESULTS OF JINDAL COTEX LIMITED

AUDITORS' REPORT

The Members
Jindal Cotex Limited
Ludhiana

We have audited the attached Consolidation Balance Sheet of Jindal Cotex Ltd. and its subsidiaries as at 31st March 2011 and also the Consolidated Profit & Loss Account and the consolidated cash flow statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Group in accordance with the requirements of Accounting Standard (AS) 21 issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true & fair view in conformity with the accounting principles generally accepted in India.

- 1) In case of the consolidated Balance Sheet, of the state of Affairs of the Group as at 31st March, 2011;
- 2) In case of the consolidated Profit and Loss Account of the Profit of the Group for the year ended on that date and;
- 3) In case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

FOR **AGGARWAL GARG & CO**
Chartered Accountants
Firm Regn. No. : 004745 N

Date: 28.07.2011
Place: Ludhiana

(Pawan Kumar Garg)
Partner
M.N.083139



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
I. SOURCES OF FUNDS			
(1) Share Holders' Funds :			
a) Share Capital	1	450,031,400	250,031,400
Share Application Money		-	-
b) Reserves & Surplus	2	2,543,131,001	946,736,664
(2) Loan Funds :			
a) Secured Loans	3	2,744,899,983	899,276,397
b) Unsecured Loans	4	137,756,085	6,243,277
(3) Deferred Tax Liability		-	-
TOTAL		5,875,818,469	2,102,287,738
II. APPLICATION OF FUNDS			
(1) A. Fixed Assets :			
a) Gross Block	5	1,569,624,674	1,104,715,485
b) Less : Depreciation		381,072,885	293,721,954
c) Net Block		1,188,551,789	810,993,531
d) Capital Work in Progress		2,192,696,473	715,171,553
		3,381,248,262	1,526,165,084
(2) Investments :	6	202,500	-
(3) Current Assets, loans and advances :	7		
a) Inventories		523,582,862	190,606,936
b) Sundry Debtors		342,666,172	109,042,256
c) Cash & Bank balances		1,626,394,015	200,501,226
d) Loans and advances		502,869,089	281,445,291
Total Current Assets (A)		2,995,512,137	781,595,709
Less : Current Liabilities & Provisions :	8		
a) Current Liabilities		473,475,530	192,017,265
b) Provisions		28,633,430	14,047,150
Total Current Liabilities (B)		502,108,960	206,064,415
Net Current Assets =(A-B)		2,493,403,178	575,531,294
(5) Miscellaneous expenditure (to the extent not written off or adjusted)	9	964,529	591,360
TOTAL		5,875,818,469	2,102,287,738
Significant Accounting Policies and Notes on Accounts	19		

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



Annual Report 2010-11

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	Schedule No.	For the year ended 31.03.2011 (Rs.)	For the year ended 31.03.2010 (Rs.)
INCOME			
Gross Sales and Operating Income		2,692,410,764	1,463,751,754
Less:- Excise Duty		2,393,292	490,925
Net Sales and Operating Income		2,690,017,472	1,463,260,829
Other Income	10	32,487,300	25,038,132
TOTAL I		2,722,504,772	1,488,298,961
EXPENDITURE			
Cost of Materials Consumed / Sold	11	2,357,304,756	1,164,034,751
Manufacturing Expenses	12	188,440,458	117,776,253
Personnel Expenses	13	87,468,871	50,839,551
Administrative Expenses	14	24,045,867	12,145,925
Financial Expenses	15	108,017,623	30,994,212
Selling Expenses	16	11,179,140	3,073,134
Decrease/(Increase) in stocks of Work-in-Process and Finished Goods	17	(286,497,746)	(895,703)
Loss on sale of fixed assets		-	-
Miscellaneous Expenditure Written off		147,840	147,840
Depreciation		92,909,503	30,837,998
TOTAL II		2,583,016,312	1,408,953,960
Profit before Tax-(I-II)		139,488,460	79,345,001
Provision for Taxation : Current Tax		28,633,430	14,047,150
Deferred Tax		-	(9,357,614)
Adjustment for earlier years		1,094,405	934,135
Profit after Tax		109,760,625	73,721,330
Profit / (Loss) brought forward from last years		154,812,012	81,090,682
Balance available for Appropriation		264,572,637	154,812,012
Balance Carried to Balance Sheet		264,572,637	154,812,012
Earning Per Share	18		
Basic		2.74	3.80
Diluted		2.74	3.80
Significant Accounting Policies and Notes on Accounts	19		

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

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Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

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(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	For the year ended 31.03.2011 (Rs.)	For the year ended 31.03.2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	139,488,460	79,345,001
Adjustment For: -		
Depreciation	92,909,503	30,867,440
Foreign Exchange Fluctuation Gain	(1,136,250)	(15,185,263)
Interest Received	(28,346,494)	(6,629,203)
Interest Expense	108,017,623	30,994,212
Profit on sales of fixed assets	(917,244)	-
Misc Expenditure Written off	147,840	-
Provision For Tax	(28,633,430)	(14,047,150)
Previous year Income Tax	(1,094,405)	(934,135)
Operating Profit before working capital Changes	280,435,603	104,410,901
Adjustment For		
Trade & Other Receivables	(233,623,915)	(32,506,501)
Loans and advances	(221,423,798)	(121,974,202)
Inventories	(332,975,926)	(73,475,890)
Sundry Creditors & Payables	296,044,544	121,391,023
NET CASH FLOW FROM OPERATING ACTIVITIES	(211,543,492)	(2,154,668)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital Work In Process	(1,948,367,738)	(985,303,842)
Sale of Fixed Assets	1,292,300	-
Investment in Quated & Unquated Fund	(202,500)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,947,277,938)	(985,303,842)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,396,994,658	291,574,618
Proceeds from Short term borrowings	448,628,928	37,967,050
Foreign Exchange Flucation Gain	1,136,250	15,185,263
Interest Received	28,346,494	6,629,203
Interest Expense	(108,017,623)	(30,994,212)
Misc Expenses	(521,009)	971,190
Proceeds from Unsecured Loans	131,512,808	(5,008,500)
Net Proceeds from Issue of Equity Shares	1,686,633,712	790,714,092
NET CASH FLOW FROM FINANCING ACTIVITIES	3,584,714,218	1,107,038,705
Net increase/(decrease) in cash & Cash equivalents	1,425,892,788	119,580,194
Cash and Cash Equivalent at beginning of year	200,501,226	80,921,031
Cash and Cash Equivalent at the end of year	1,626,394,015	200,501,226
Significant Accounting Policies and Notes on Accounts	19	

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



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Schedules 1 to 19 Annexed to and forming part of the Balance Sheet as at 31.03.2011 Profit & Loss Account, Cash Flow Statement for the year ended as on 31.03.2011

	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE 1 - SHARE CAPITAL				
Authorised				
60,000,000 Equity Shares (Previous Year 27,000,000) of Rs. 10/- each		<u>600,000,000</u>		<u>270,000,000</u>
Issued, Subscribed & Paid-up				
45003140 Equity Shares (Previous Year 25,003,140) of Rs. 10/- each (Of the Above Shares 4,801,596 shares (Prev year 4,801,596 shares) are allotted as Bonus Shares Fully Paid Up of Rs.10/- each by way of Capitalisation of Profits)		<u>450,031,400</u>		<u>250,031,400</u>
Total		<u>450,031,400</u>		<u>250,031,400</u>
SCHEDULE 2 - RESERVE & SURPLUS				
	2009-10	2010-11		
(a) Securities Premium Account Balance as per last year Balance Sheet	66,780,900	791,924,652		
Add:- Received during the year	<u>809,707,210</u>	<u>1,600,000,000</u>		
	<u>876,488,110</u>	<u>2,391,924,652</u>		
Less: IPO Expenses Adjusted	84,563,458	-		
Less:Preliminary Expenses Adjusted	-	1,650,000		
Less:Foreign Currency GDR fluctuation	-	55,277,658		
Less:GDR Expenses Adjusted	-	56,438,630	2,278,558,364	791,924,652
(b) Surplus				
As per Profit & Loss Account			264,572,637	154,812,012
			<u>2,543,131,001</u>	<u>946,736,664</u>
SCHEDULE 3 - SECURED LOANS				
From Banks				
(a) Working Capital Borrowings				
i) In Foreign Currency		<u>112,741,250</u>		<u>159,326,000</u>
ii) In Indian Rupees		<u>517,486,320</u>		<u>90,950,511</u>
		<u>630,227,570</u>		<u>250,276,511</u>
(b) Bill Discounted				
i) In Foreign Currency		-		-
ii) In Indian Rupees		<u>8,276,338</u>		<u>1,164,455</u>
		<u>8,276,338</u>		<u>1,164,455</u>
(c) Term Loan				
i) In Foreign Currency		<u>31,045,000</u>		<u>36,864,000</u>
ii) In Indian Rupees		<u>1,923,789,382</u>		<u>520,975,724</u>
		<u>1,954,834,382</u>		<u>557,839,724</u>
(d) Short Term Loan				
i) In Indian Rupees		<u>151,561,693</u>		<u>89,995,707</u>
		<u>151,561,693</u>		<u>89,995,707</u>
		<u>2,744,899,983</u>		<u>899,276,397</u>

Notes:-

- Working capital Borrowings are secured by way of Hypothecation of stocks of all kinds, Receivables and all other current assets of the company and further collaterally secured by equitable mortgage on immovable properties of the company including leasehold land. Working Capital borrowings includes Rs.6.64 Crores availed under Warehousing finance and the same is secured against the pledge of Raw Cotton.
- Bill discounted limits are secured by way of export bills discounted. Bill discounted in indian rupees is further secured by way of charge on movable assets of the company.
- Term Loan are secured against hypothecation all movable properties of the company and equitable mortgage of all immovable properties of the company including leasehold land.
- Amount Repayable for Term loan with in one year is Rs 15,23,43,744/- (Previous Year Rs 4,04,51,871)
- Short Term Loan is secured by Corporate Guarantee and property of Jindal Cycles Pvt.Ltd.
- All the above facilities are further secured by personal guarantee of the promoter directors of the company.

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 4 - UNSECURED LOANS		
From Directors	1,656,085	5,722,090
From Inter Corporate Loan	136,100,000	471,187
From Others	-	50,000
	<u>137,756,085</u>	<u>6,243,277</u>



SCHEDULE 5 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 1-Apr-10 (RS)	ADDITION DURING THE YEAR (RS)	SALE/ADJ DURING THE YEAR (RS)	AS AT 31-Mar-11 (RS)	AS AT 1-Apr-10 (RS)	PROVIDED DURING THE YEAR (RS)	ADJ. DURING THE YEAR (RS)	AS AT 31-Mar-11 (RS)	AS AT 31-Mar-11 (RS)	AS AT 31-Mar-10 (RS)
Tangible Assets (A)										
Land	44,004,635	81,763,404	-	125,768,039	-	-	-	-	125,768,039	44,004,635
Factory Building	48,336,817	-	-	48,336,817	29,842,928	1,849,389	-	31,692,317	16,644,500	18,493,889
Building	156,502,500	48,824,198	-	205,326,698	5,622,119	4,690,335	-	10,312,454	195,014,245	150,880,381
Plant & Machinery	705,922,208	312,463,640	1,946,880	1,016,438,968	225,252,244	77,063,617	1,904,195	300,411,665	716,027,302	480,669,964
Weigh Bridge & Scales	1,297,029	24,609	-	1,321,638	504,009	51,356	-	555,365	766,273	793,020
Electric Installations	51,073,734	7,301,465	-	58,375,199	11,415,848	2,428,340	-	13,844,188	44,531,011	39,657,887
Office Equipments	2,363,837	1,465,355	-	3,829,193	858,485	148,432	-	1,006,917	2,822,276	1,505,352
Computers	4,070,261	1,586,056	-	5,656,317	2,347,760	503,140	-	2,850,900	2,805,417	1,722,501
ERP Software	4,765,709	-	-	4,765,709	471,019	772,521	-	1,243,540	3,522,169	4,294,690
Cars	15,259,779	15,601,666	4,069,092	26,792,353	8,650,304	1,547,449	3,750,088	6,447,665	20,344,688	6,609,475
Scooter	46,000	-	18,000	28,000	8,058	2,660	4,633	6,085	21,915	37,942
Vehicles	3,695,320	548,842	-	4,244,162	841,174	359,200	-	1,200,374	3,043,788	2,854,146
Furniture & Fixtures	1,629,620	1,244,227	-	2,873,847	955,529	117,602	-	1,073,131	1,800,716	674,091
Wind Mill	65,748,035	-	-	65,748,035	6,952,477	3,471,496	-	10,423,974	55,324,061	58,795,558
TOTAL (A)	1,104,715,485	470,823,462	6,033,972	1,569,504,974	293,721,954	93,005,536	5,658,916	381,068,575	1,188,436,399	810,993,531
Intangible Assets (B)										
Trademarks	-	119,700	-	119,700	-	4,310	-	4,310	115,390	-
TOTAL (B)	-	119,700	-	119,700	-	4,310	-	4,310	115,390	-
Grand Total (A+B)	1,104,715,485	470,943,162	6,033,972	1,569,624,674	293,721,954	93,009,847	5,658,916	381,072,885	1,188,551,789	810,993,531

Note:-

- Intangible assets are not internally generated.
- Plant and Machinery includes Rs. 120230181 and Building includes Rs. 44963598 for the amount allocated out of project preoperative expenses.
- Borrowing costs amounting to Rs. 20750719 has been capitalised during the year.
- Depreciation of Amounting Rs. 100343 Has been allocated towards Pre-operative expenses.

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 6 - INVESTMENTS		
Long term Investment at cost		
Unquoted --- Other than Trade		
250 Equity Share (Previous Year Nil) Of Rs. 10/-	2,500	-
In Shivalik Solid Waste Management Ltd.		
Others		
Quoted Investments		
BARODA PIONEER PSU EQUITY FUND	200,000	-
(20000 units of Rs. 10 each)		
Total Investment at cost	202,500	-
SCHEDULE 7 - CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
1. Inventories		
(As taken, valued and certified by the management)		
Raw Materials	156,665,758	100,911,883
Finished Goods	320,141,081	39,205,762
Stock in Process	18,747,296	20,992,246
Waste	16,116,126	8,308,750
Store & Spares	11,912,601	21,188,296
	523,582,862	190,606,936
2. Debtors		
(Unsecured considered good)		
Outstanding for a period more than six months	36,570,279	174,662
Others	306,095,893	108,867,594
	342,666,172	109,042,256



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	AS AT 31.03.2011	AS AT 31.03.2010
3. Cash & Bank Balances		
Cash in hand (Including Imprest)	5,949,127	2,158,468
Cheques in hand	-	41,494,665
Balance with Scheduled Banks		
In Current Accounts	173,644,043	37,221,093
In Fixed Deposit	84,975,845	119,627,000
Balance with foreign Banks	1,361,825,000	-
(Maximum balance at anytime during the year was Rs 1,800,000,000)		
	<u>1,626,394,015</u>	<u>200,501,226</u>
(B) LOANS & ADVANCES		
(Advances recoverable in cash or in kind or for value to be received)		
Securities	11,997,404	15,717,246
Govt.Duties/Taxes recievable	102,268,104	105,385,025
Advance against supplies	35,730,267	24,219,572
Advance Payment of Taxes	5,040,429	2,784,146
Other Advances	347,832,885	133,339,301
	<u>502,869,089</u>	<u>281,445,291</u>
SCHEDULE 8 - CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES :		
SUNDRY CREDITORS		
1. (a) Due to Micro, small & Medium Enterprises	353,980	4,112,547
(b) Others	340,352,874	147,462,480
(c) For Capital Goods	86,569,990	15,525,191
2. Advances from customers	185,320	3,030,916
3. Other Liabilities	32,149,246	21,886,132
4. Cheques issued but not presented for payment	13,864,120	-
	<u>473,475,530</u>	<u>192,017,265</u>
B. PROVISIONS :		
Provision for Taxation : Current Income Tax	28,633,430	14,047,150
	<u>502,108,960</u>	<u>206,064,415</u>
SCHEDULE 9 - MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Opening Balance	591,360	1,039,200
Addition during the year	2,171,009	400,000
Less: Adjusted with Securities Premium or Written off	(1,797,840)	(847,840)
	<u>964,529</u>	<u>591,360</u>
SECHDULE 10 - OTHER INCOMES		
Interest Income	28,346,494	6,629,203
Foreign Exchange Fluctuation (Net)	1,136,250	15,185,263
Foreign Exchange Fluctuation (Export)(Net)	934,223	1,361,291
Profit on sale of fixed assets	917,244	-
Misc income	319,953	699,800
Drawback income	833,136	1,162,575
	<u>32,487,300</u>	<u>25,038,132</u>
SCHEDULE 11 - COST OF MATERIALS		
Opening Stock	100,911,883	30,100,093
Add:- Purchases	2,413,058,631	1,234,846,540
	<u>2,513,970,513</u>	<u>1,264,946,633</u>
Less : Closing Stock	156,665,758	100,911,883
Cost of Materials consumed	<u>2,357,304,756</u>	<u>1,164,034,751</u>



	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 12 - MANUFACTURING EXPENSES		
Power & Fuels	137,239,310	89,457,857
Packing Materials Consumed	26,479,387	9,469,787
Building Repair & Maintenance	1,023,038	327,362
Machinery Repair & Maintenance	17,472,496	13,832,333
Electric Repair & Maintenance	3,078,166	2,369,662
Production Expenses	3,148,061	2,319,252
	<u>188,440,458</u>	<u>117,776,253</u>
SCHEDULE 13 - PERSONNEL EXPENSES		
Salary, Wages & Bonus	68,974,987	39,279,907
Contribution to Provident & other Funds	9,093,691	4,885,266
Employee Welfare	3,771,513	4,221,442
Recruitment Expenses	231,965	173,704
Director Remuneration	5,350,000	2,231,250
Notice Pay	46,715	47,982
	<u>87,468,871</u>	<u>50,839,551</u>
SCHEDULE 14 - ADMINISTRATIVE & OTHER EXPENSES		
Vehicle Repair & Maintenance	699,187	614,834
Car Repair & Maintenance	1,251,634	1,047,291
Scooter Repair & Maintenance	28,713	575
Travelling Expenses	3,291,304	777,402
Wind Mill Expenses	50,613	-
Telephone Expenses	1,479,073	854,478
Internet Expenses	341,269	71,680
Loading & Unloading Charges	2,493,034	983,782
Printing & Stationery	650,650	639,894
Postage & Telegram	158,212	89,820
Software Expenses	-	10,300
Local Conveyance	246,989	208,801
Legal & Professional Charges	1,249,984	956,046
ERP Implementation Charges	703,829	270,276
Meeting Expenses	787,938	-
Lease Rent	216,000	178,500
Rent Worker Colony (U-II)	206,468	-
Insurance	817,793	420,792
Godown Rent	60,000	60,000
Annual Maint Chgs/ Wind Mill AMC	1,331,913	1,228,258
Revenue Stamps	2,190	1,450
Horticultural Expenses	7,112	19,380
General Expenses	197,599	156,545
Festival Expenses	231,822	242,799
Fees & Taxes/ Subscriptions	1,405,647	1,486,639
Entertainment Expenses	264,081	121,999
Director Travelling Expenses	3,499,297	613,438
Charity & Donation	1,107,400	233,350
Computer Repair & Maintenance	142,208	86,518
Training Expenses	10,966	-



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	AS AT 31.03.2011	AS AT 31.03.2010
Books & Periodicals	11,054	12,606
Audit Expenses	14,598	12,429
Service Tax	590,566	400,584
Audit Fees	286,780	206,480
Share Trf & Listing Fees	209,075	138,978
Short & Excess	869	-
	<u>24,045,867</u>	<u>12,145,925</u>
SCHEDULE 15 - FINANCIAL EXPENSES		
Interest on Bank Borrowings	99,110,018	26,054,997
Interest on Purchase	4,099,199	598,635
Bank Charges	4,808,406	3,905,580
Interest on Unsecured Loans	-	435,000
	<u>108,017,623</u>	<u>30,994,212</u>
SCHEDULE 16 - SELLING & DISTRIBUTION EXPENSES		
Advertisement	490,179	167,136
Clg & Forwarding chgs	-	139,568
Sales Commission	3,387,575	352,317
Export Expenses	4,208,173	1,264,702
Freight & Octroi Outward	222,763	377,001
Commission on export	1,383,528	725,241
Freight & Cartage	6,810	21,000
Sales Promotion	-	8,925
Rebate & Discount	1,480,112	17,244
	<u>11,179,140</u>	<u>3,073,134</u>
SCHEDULE 17 - DECREASE/(INCREASE) IN STOCKS		
Opening Stock		
Finished Goods	39,205,762	55,703,296
Stock in Process	20,992,246	10,257,156
Stock of Waste	8,308,750	1,650,602
Stock at Port	-	-
	Total A	
	<u>68,506,757</u>	<u>67,611,054</u>
Closing Stock		
Finished Goods	320,141,081	39,205,762
Stock in Process	18,747,296	20,992,246
Stock of Waste	16,116,126	8,308,750
Stock at Port	-	-
	<u>355,004,503</u>	<u>68,506,757</u>
Decrease/(Increase) in Stocks (A - B)	Total B	
	<u>(286,497,746)</u>	<u>(895,703)</u>
SCHEDULE 18 - EARNING PER SHARE		
Net Profit/(Loss) as per Profit and loss a/c	109,760,625	73,721,330
Weighted Avg. No. of Equity Shares in calculation of Basic & Diluted Earning Per Share	40,003,140	19,406,006
Earning/(Loss) Per Share		
Basic	2.74	3.80
Diluted	2.74	3.80



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES.

1. Basis of preparation of consolidated financial statements:

The accompanying consolidated financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the companies Act, 1956 to the extent applicable.

1.1 Principles of consolidation

- a) The consolidated financial statement relates to Jindal Cotex Limited (The Company) and its subsidiary companies (the group). The consolidated financial statements have been prepared on the following basis:-
 - i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group-transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21-Consolidated Financial Statements prescribed by companies (Accounting Standards) Rules, 2006.
 - ii) The consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented as the company's separate financial statements.
 - iii) The subsidiary co's considered in consolidated financial statements are as below:

Sr. No.	Name of the Entity	Country of Incorporation	Proportion of ownership interest at 31st March' 2011
1.	Jindal Medicot Limited	India	100%
2.	Jindal Specialty Textiles Limited	India	100%
3.	Jindal Infrabiz Limited	India	100%
4.	Jindal Metalex Limited (Formerly known as Jindal Foods & Beverages Limited)	India	100%
5.	Himachal Textile Park Limited	India	100%

b) Going Concern Convention:

The accounts of the company have been prepared on going concern basis.

2. Revenue Recognition:

a) Sales:

Sales comprise sale of goods, services and export incentives net of excise duty, sales tax/VAT and trade discount. Revenue from sale of goods is recognized:

- i) When all the Significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

b) Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

c) Export Benefits/Incentive:

Revenue in respect of the above benefit is recognized on post export basis.

d) Insurance and Other Claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

3. Retirement/ Other Employee Benefits

(a) Gratuity

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.

(b) Provident Fund

Contribution to Provident Fund is made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and charged to the Profit & Loss Account.

(c) Leave with wages

Provision for leave with wages is made on the basis of leave accrued to the workers during the financial year.

4. Fixed Assets

Fixed assets are stated at the values at which they are acquired, less accumulated depreciation and cenvat credit if availed. The cost of fixed assets included interest on borrowing attributable to acquisition of fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of asset.

5. Capital Work in Progress

Projects under commissioning and other Capital Work in Progress are carried at Cost, comprising direct cost, related incidental expenses, indirect expenditure and attributable interest related to that project.

6. Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- In case of raw material at actual cost determined on FIFO basis plus direct expenses.
- In case of Stores and spares at weighted average cost.
- In case of Work in process at raw material cost plus appropriate proportion of direct labour and overheads.
- In case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads.

7. Impairment of Assets

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.

8. Depreciation

Depreciation is provided in accordance with and in the manner and at the rates specified in schedule XIV to the Companies Act, 1956 as under:

- a) on written down value basis for assets acquired prior to 06/03/2006 and
- b) on straight line basis for assets acquired after that date.

9. Foreign Currency Conversion/Translation

Purchase and Sales are accounted at exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at Balance Sheet date are translated at rates prevailing at the year end and the resultant net gains or losses are recognized as income or expense in the year in which they arise except the net variation arising on account of such conversion in case of liabilities incurred for acquisition of fixed assets is adjusted to the cost of the respective fixed asset.

10. Borrowing Costs

Borrowing cost attributable to construction periods is capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

11. Investments

Long term investments are carried at cost, less provision for diminution, in value of such investments. Current Investments are carried individually at lower of Cost and fair value.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

12. CENVAT Credit

The CENVAT Credit of excise duty if any availed on inputs and capital goods is accordingly reduced from the purchase cost of related inputs or capital goods as the case may be.

13. Accounting for Taxes on Income

Provision for tax if any, is based on the assessable profits computed in accordance with the provisions of Income Tax Act 1961 and the Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

14. Cash Flow Statement

The company has prepared the Cash Flow Statement using the Indirect Method in compliance of Accounting Standard issued by The Institute of Chartered Accountants of India (AS-3).

15. Segmental Reporting

The company is principally engaged in the business of textiles (mainly manufacturing of yarn of different kinds and trading of knitted cloth & acrylic top etc.) and the project of wind mill (for generation of electricity for re-sale.) The company is also operating in different geographical segments. The relevant information's about these segments are given as part of Notes on Accounts.

16. Earning per share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

B. NOTES ON ACCOUNTS.

1. Contingent Liabilities –

S r . no.	There are contingent liabilities in respect of the following items:	As at 31.03.2011 Rs.in Lacs	As at 31.03.2010 Rs.in Lacs
	Claims/Notices contested by the Company		
1	Letter of credit established for purchase of capital goods/Supplies and due in next year	4520.98	4743.32
2	BG Executed in favor of DGFT Ludhiana/Custom Authorities for fulfillment of export obligation.	302.96	-
3	Duty saved upon procurement of machinery pending fulfillment of export obligation.	3389.29	2344.97
4	Vat Exemption which is available on the basis of eligibility certificate issued by District Industries Centre, Ludhiana but the same is disputed by concerned sales tax authorities.	417.29	417.29
5	Demand raised by sales tax authorities and the same is disputed by the company.	134.14	104.36
6	Bank Guarantee issued in favour of Bombay Stock Exchange	-	46.70

2. Estimated amount of contracts remaining to be executed on capital account (net of advances)

	2010-11	2009-10
	Rs. 16456.46 lacs	Rs. 9280.60 lacs

3. Payment to Auditors :

	2010-2011	2009-2010
i) Statutory Audit fees.	Rs. 305601.00	Rs. 190744.00
ii) Tax audit fees.	Rs. 21545.00	Rs. 15736.00
iii) Other expenses.	Rs. 54598.00	Rs. 12429.00

4. Previous year's figures have been recast/ regrouped wherever necessary to make these comparable with current year's figures.

5. All figures have been rounded off to nearest rupees.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

6. Figures in brackets indicate deductions.

7. In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the balance sheet and adequate provisions have been made for all known liabilities and depreciation in the books of accounts.

8. During the year a total remuneration of Rs.5350000.00 (Previous year Rs. 5100000.00) have been paid to the director of the Company in accordance with the provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956.

9. Related Party Disclosure :

Disclosure of Related Parties and relationship between the parties:

Associates : Jindal Cycles Private Limited, Jindal Fine Industries

Key Management Personnel : Mr. Sandeep Jindal, Mr. Yash Paul Jindal, Mr. Ramesh Jindal
Mr. Rajinder Jindal, Mr. Aman Jindal, Mr. Sahil Jindal.

Relatives of KMP : Manu Jindal

Nature of Transaction with related parties:

Particulars	Associates		Key Management Personnel		Relatives of KMP	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	132000	60,000	144,000	144,000		
Salary paid					4,23,500	4,45,500
Interest Paid		4,35,000				
Managerial Remuneration			5,350,000	5,100,000		

11. Segment information for the year ended 31st March, 2011

(a) Information about Primary Business Segments

(Rs in lacs)

	Textile		Wind Mill		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue:						
External (Net of Excise)	26848.20	14565.67	51.97	66.93	26900.17	14632.60
Inter-segment	-	-	-	-	-	-
Total Revenue	26848.20	14565.67	51.97	66.93	26900.17	14632.60
Result:						
Segment Result	1486.88	838.41	(38.50)	(22.65)	1448.38	775.31
Unallocated Expenditure					53.50	22.31
Profit before Tax					1394.88	793.45
Provision for Tax					297.28	56.24
Profit After Tax					1097.60	737.21

	Textile		Wind Mill		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Assets	63214.36	22489.65	553.24	587.96	16456.81	23077.61
Segment Liabilities	33520.93	10723.82	326.72	392.01	11027.02	11115.83
Capital Expenditure	4709.43	6384.55	-----	-----	4709.43	6384.55
Depreciation	895.39	273.96	34.71	34.71	930.10	308.67



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(b) Information about Secondary Geographical Segments

Revenue by geographical market

	India		Asia (other than India)		Central America		America North & South		Europe		Africa		Total	
	2010-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
External	25980.09	14433.94	573.38	70.94	0.00	39.65	203.09	43.41	41.3	0.00	126.25	44.67	26924.11	14632.61
Inter-segment														
Total	25980.09	14433.94	573.38	70.94	0.00	39.65	203.09	43.41	41.3	0.00	126.25	44.67	26924.11	14632.61

(c) Notes:

(i) Management has identified two reportable business segments, namely:

- Textile: – Production of Acrylic Yarn, Polyester Yarn, Poly/cotton Blended Yarn, Cotton Yarn and other Blended Yarns.
- Energy Generation: - Generation of Energy from Wind Mill.

Segments have been identified and reported taking into account the nature of products.

(ii) The segment in the geographical segments considered for the disclosure are as follows:-

- India: comprising of sales to customers located within India and earnings in India
- Asia (other than India) : comprising of sales to customers located in Asia.
- Central America: comprising of sales to customers located in Central America.
- America North & South: comprising of sales to customers located in America North & South.
- Africa: comprising of sales to customers located in Africa.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

12. Deferred Tax Liability (Net) as on 31st March 2011 is as follows:

	(Rs. in lacs)	(Rs. in lacs)
	Current Year	Previous Year
Liability on account of Timing Difference Depreciation	548.20	322.30
Less: Deferred Tax Asset arising on account of timing difference	548.20	322.30
For expenses allowable for tax purposes when paid, miscellaneous		
Net Deferred Tax Liability	Nil	Nil

13. Small Scale Industrial Undertakings having outstanding exceeding Rs. 1.00 lac, which is outstanding for over a period of more than 30 days is Nil (Previous year 7.11 lacs).The Company has not made any delays in settlement of balances due to small scale undertakings and hence no provision for interest on delayed payment is required. Further, there are no outstanding amounts payable beyond the agreed period to small, micro and medium enterprises as on the Balance Sheet date to extent such enterprises have been identified, based on the information available with the Company.
14. The Institute of Chartered Accountants of India has issued an Accounting Standard – 28 on Impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004. In accordance with the said standards, the company has assessed as on date of applicability of the aforesaid standard and as well as on balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.
15. During the year under review, the company raised funds by public issue of 2,00,00,000 equity shares (for GDRs) of Rs. 10/- each at a premium of Rs 80/- per share.



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

16. The information required by Para 3 & 4 of part II of Schedule VI to the Companies Act, 1956.

(A) CAPACITY

Location		LICENCED CAPACITY		INSTALLED CAPACITY	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
Existing Unit at Jugiana	Spindles	23472	23472	23472	23472
Expansion Unit II At Mandiala Kalan	Spindles	50400	50400	28800	21600
---Do---	Dying Unit	6 Ton/Per day	6 Ton/Per day	Nil	Nil
---Do---	Garment Unit	3000 Pcs/ Per Day	3000 Pcs/ Per Day	Nil	Nil
Vill.Pithala, Distt. Jaisalmer, Rajasthan.	Wind Mill	NIL	NIL	1250 KW	1250 KW
Village Thathal, Tehsil Amb Distt Una, HP	Bleached Cotton & Its Product	5000 Tones per annum	5000 Tones per annum	Nil	Nil
Village Thathal, Tehsil Amb Distt Una, HP	Laminated Fabrics	100 million square mtrs per annum	100 million square mtrs per annum	Nil	Nil

Installed capacity is as certified by the management, but not verified by the auditors being technical matter.

(C) ACTUAL PRODUCTION

Particulars/Year	2010-2011	2009-2010
Acrylic Yarn (Kgs)	3884698.25	3912101.850
Polyester Yarn (Kgs)	29490.75	95098.000
Polyester Blended Yarn (Kgs)	2636547.55	2500277.450
100% Cotton Yarn	4167769.28	260496.740
Waste (Kgs)	2258262.78	737630.400
Electricity (Units)	1431857	1854072

(D) PURCHASE OF FINISHED GOODS

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Knitted Cloth	2775272.58	6604.21	2557167.466	4823.27
Traded Yarn	0.00	0.00	242.000	0.00

(E) SALES

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Acrylic Yarn	3846654.3	8309.41	4013834.300	6371.37
Polyester Yarn	68150.85	83.38	61200.000	71.44
Blended Yarn	2513194.00	3987.99	2723174.756	3013.09
100% Cotton Yarn	3196010.17	5371.27	140978.860	179.26
Waste	2223593.15	904.75	581873.000	194.89
Scrap/Others	167018.16	21.52	0.000	3.43
Acrylic Fibre	11058.40	19.25	NIL	NIL
Polyster Fibre	31184.60	27.76	NIL	NIL



SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Knitted Cloth	2841581.50	7991.09	2360755.696	4675.03
Blended Yarn(Trading)	-	-	37107.10	50.87
Raw Cotton	113437.80	134.49	9401.000	6.29
Electricity (Units)	1431857	51.98	1854072	66.93

(F) STOCK PARTICULARS OF FINISHED GOODS

i) OPENING STOCK

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Acrylic Yarn	50628.730	88.34	147330.580	183.55
Polyester Yarn	38765.630	40.99	4867.630	4.26
Blended Yarn	102808.350	110.65	325068.896	302.05
100% Cotton Yarn	118565.320	146.01	-	-
Traded Yarn	1218.500	6.05	38088.600	67.17
Waste	196293.700	83.09	40536.300	16.51
Knitted Cloth	196411.776	458.11	0.000	0.00

ii) CLOSING STOCK

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Acrylic Yarn	89113.68	196.80	50628.730	88.34
Polyester Yarn	102.53	0.15	38765.630	40.99
Blended Yarn	226666.5	460.38	102808.350	110.65
100% Cotton Yarn	1115002.01	2598.82	118565.320	146.01
Traded Yarn	472.50	1.18	1218.500	6.05
Waste	234651.33	161.16	196293.700	83.09
Knitted Cloth	NIL	NIL	196411.776	458.11

(G) RAW MATERIAL CONSUMED

Particulars/Year	2010-2011		2009-2010	
	QTY (Kg)	Amt. (Rs. In Lacs)	QTY	Amt. (Rs. In Lacs)
Manmade Fibre/ raw Cotton	12082475.280	16983.28	7520974.840	7167.84

Including quantity & value of raw material sold and cotton tie yarn.

Including value of direct expenses i.e. freight & octroi etc.

(H) CIF VALUE OF IMPORTS.

Particulars/Year	2010-2011	2009-2010
	(Rs. In lacs)	(Rs. In lacs)
Raw material/Acrylic Fiber	537.13	825.46
Components & Spare Parts	3.10	4.58
Capital Goods/ Advances	8169.70	3791.81



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(I) EXPENDITURE/INCOME IN FOREIGN CURRENCY

Particulars/Year	2010-2011	2009-2010
	(Rs. In lacs)	(Rs. In lacs)
Foreign Travelling Expenses	21.79	11.69
Interest on FCNRB Loans	197.32	148.02
FOB Value of Exports	937.17	198.67
Fees & Taxes	0	1.45
GDR Issue Expenses	582.46	0
Technical Know How	377.00	242.00

(J) VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL, COMPONENTS & SPARE PARTS CONSUMED/ SOLD

Particulars/Year	2010-2011		2009-2010	
	VALUE (Rs. In lacs)	(%)	VALUE (Rs. In lacs)	(%)
(I) Raw Material				
Imported	526.03	2.23	825.46	11.52
Indigenous	23044.56	97.77	6342.38	88.48
(II) Components & spare parts				
Imported	3.10	1.08	4.58	11.73
Indigenous	283.03	98.92	133.74	88.27

For and on behalf of the Board of Directors of Jindal Cotex Ltd.

(SANDEEP JINDAL)
Chairman and
Managing Director

(YASHPAUL JINDAL)
Whole Time Director

(ASHISH JAIN)
C.F.O.

(PRANAV JAIN)
Manager Accounts

(ANIL MALHAN)
Company Secretary

As per our report of even date attached
For Aggarwal Garg & Co.
Chartered Accountants
Firm Regn. No. : 004745N

(PAWAN KUMAR GARG)
PARTNER
M.No. 083139

PLACE : LUDHIANA
DATE : 28.07.2011



Jindal Cotex Limited

Statement pursuant to section 212 of the Companies Act, 1956, relating to subsidiary companies

1.	Name of the Subsidiary Companies	Jindal Medicot Limited	Jindal Specialty Textiles Limited	Himachal Textile Park Limited	Jindal Infrabiz Limited	Jindal Metalex Limited
2.	Financial Year of the Subsidiary Companies ended on	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011
3.	Number of shares held & Face Value	38,00,000 equity shares of Rs. 10/- each	41,00,000 equity shares of Rs. 10/- each	2,50,000 equity shares of Rs. 10/- each	50,000 equity shares of Rs. 10/- each	50,000 equity shares of Rs. 10/- each
4.	Extent of Holding	(100%)	(100%)	(100%)	(100%)	(100%)
5.	Net Aggregate amount of Profit Less Losses of the subsidiary companies so far as it concerns the members of Jindal Cotex Limited					
	a) Not dealt with in the Accounts of Jindal Cotex Limited.					
	i) For the subsidiary's financial year above referred	8,83,194.00	43,62,105.00	-	-	-
	ii) For previous financial years of subsidiary since it became subsidiary of Jindal Cotex Limited	11,54,805.00	16,34,280.00	-	-	-
	b) Dealt with the accounts of Jindal Cotex Limited					
	i) For the subsidiary's financial year above referred	-	-	-	-	-
	ii) For previous financial years of subsidiary since it became subsidiary of Jindal Cotex Limited	-	-	-	-	-

Financial information of subsidiary companies

(Rs. in Lacs)

Sr. No.	Particulars	Jindal Medicot Limited	Jindal Specialty Textiles Limited	Himachal Textile Park Limited	Jindal Infrabiz Limited	Jindal Metalex Limited
1.	Capital	380.00	410.00	25.00	5.00	5.00
2.	Reserves	2645.38	3704.96	0.00	0.00	0.00
3.	Total Assets	9194.09	12143.68	2914.52	6.50	7.50
4.	Total Liabilities	9194.09	12143.68	2914.52	6.50	7.50
5.	Details of Investments (Except in case of investment in subsidiaries)	0.00	0.00	0.03	0.00	0.00
6.	Turnover	554.38	0.01	0.00	0.00	0.00
7.	Profit/(Loss) before taxation	12.78	63.13	0.00	0.00	0.00
8.	Provision for Taxation	3.95	19.51	0.00	0.00	0.00
9.	Profit/(Loss) after taxation	8.83	43.62	0.00	0.00	0.00
10.	Proposed Dividend	0.00	0.00	0.00	0.00	0.00

Place:- Ludhiana
Date:- 28th July, 2011

Sandeep Jindal
Chairman and Managing Director

Yash Paul Jindal
Wholetime Director

Anil Malhan
Company Secretary



