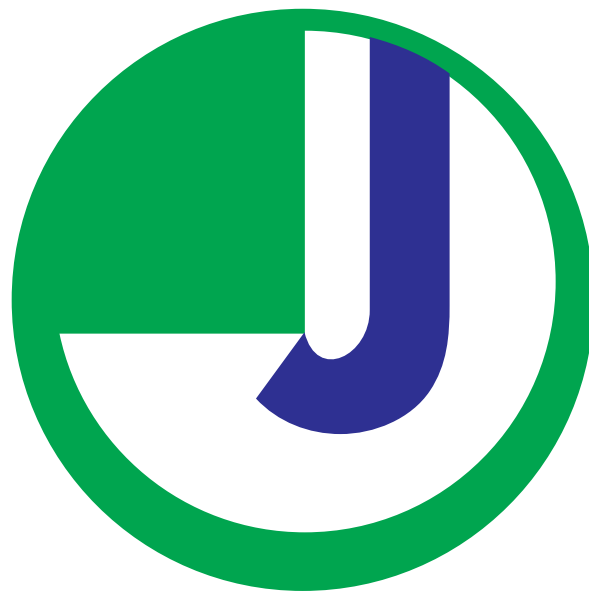


# **Jindal Cotex Limited**

**Annual Report 2011 - 12**





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# Annual Report 2011-12

## BOARD OF DIRECTORS

Mr. Sandeep Jindal  
Mr. Yash Paul Jindal  
Mr. Ramesh Jindal  
Mr. Rajinder Jindal  
Mr. Aman Jindal  
Mr. Sahil Jindal  
Mr. Vijesh Gupta  
Mr. Nirmal Kumar Jain  
Mr. Madan Lal Arora  
Mr. Vinay Shrivastav  
Mr. Satish Kumar Gupta  
Mr. Naresh Chand Bansal

Chairman and Managing Director

### A.G.M.-ACCOUNTS

Mr. Anoop Kumar

### COMPANY SECRETARY

Mr. Anil Kumar Malhan

### REGISTRAR & 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](mailto: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  
Email: [cs@jindalcotex.com](mailto:cs@jindalcotex.com)

### WIND MILL

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

### UNITS

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

### BANKERS

Oriental Bank of Commerce  
State Bank of India  
Allahabad Bank  
Corporation Bank  
Punjab & Sind Bank  
Bank of Baroda  
Punjab National Bank  
Central Bank of India  
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

In the year 2011-12, Indian economy has grown at 6.5% which is lower than that expected. The year 2011-12 was challenging one. The world economy did not revive to the desirable level and crude oil and commodity prices remained at persistently high levels. The sovereign debt crisis of the Euro area added to the uncertainty. The government is taking several measures to kick-start of the economy.

During the year 2011-12, Indian Textile Industry, was one of the worst hit sector by the global financial crisis especially, due to economic crisis in the US and Europe. The Textile Industry was adversely affected by crash in prices in cotton and other textile products from April 2011 onwards, led to huge losses in the Textiles Industry. Further, due to poor demand in domestic as well as western markets and restrictions on export, led to huge accumulation of unsold stocks, which led to erosion of working capital in the Industry.

The Industry has requested the Reserve Bank of India for restructuring of loans, demanded export sops and interest subsidy to deal with the difficult economic situation. The support of the Government will enable the textile sector to compete effectively with our competitors such as Bangladesh, Pakistan and China. After the representations from all the leading cotton producing state governments on the price, the Government has took off ban on cotton exports.

Assuming the inflation is brought under control and input prices revert to a more moderate level, the domestic market is expected to continue to deliver a healthy growth. The Management of our company is very optimistic of the Textile Industry and taking a long term view of the Industry and hope to increase turnover and margins from the current position.

### Industry Structure and Development

The Textile Industry in India plays a vital role in the

overall economy. The Indian Textile Industry is one of the largest in the world with a massive raw material and manufacturing base. It contributes 14% of the industrial production and 3% to the GDP of the country. The Textile Industry accounts for as large as 21% of the total employment generated in the economy. Approximately 35 million people are directly employed in textile manufacturing activities. Exports account for about 27% of India's total foreign exchange earnings.

The Indian textile Industry, 2<sup>nd</sup> largest in the World and continued to its growth journey due to extension of the Textile Up-gradation Fund scheme.

### Technology Upgradation Fund Scheme (TUFS):

TUFS had been suspended temporarily by the Government in the year, 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.

### Financial Analysis and Review of operations (on standalone basis) :

#### Product wise performance

Particulars	Year ended March 31, 2012			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
<b>Textiles</b>						
Acrylic Yarn	2712	5647.15	22.14	3847	8309.41	30.91
Polyester Yarn	2250	2826.67	11.08	68	83.38	0.31
Blended Yarns	1601	2357.34	9.24	2513	3987.99	14.83
100% Cotton Yarn	2305	3779.99	14.82	3196	5371.27	19.98
Knitted Cloth	2101	9447.91	37.04	2840	7974.41	29.66
Fibre and others	1677	1394.09	5.47	2547	1107.77	4.12
<b>Total (A)</b>	<b>12646</b>	<b>25453.15</b>	<b>99.78</b>	<b>15011</b>	<b>26834.23</b>	<b>99.81</b>
<b>Wind Mill</b>						
Elect. Sales	1523	55.60	0.22	1432	51.98	0.19
<b>Total (B)</b>	<b>1523</b>	<b>55.60</b>	<b>0.22</b>	<b>1432</b>	<b>51.98</b>	<b>0.19</b>
<b>Total (A+B)</b>	<b>14169</b>	<b>25508.75</b>	<b>100</b>	<b>16443</b>	<b>26886.21</b>	<b>100</b>



## Financial Analysis

### ► Revenue Break – up:

(Rs. in Lacs)

Particulars	2011-12	%	2010-11	%
Sales	25508.75	92.93	26886.21	99.08
Other Income	1941.38	7.07	249.57	0.92
<b>Total Income</b>	<b>27450.13</b>	<b>100</b>	<b>27135.78</b>	<b>100</b>

The net turnover has decreased to Rs. 25508.75 Lacs in the year 2011 – 12 as against Rs. 26886.21 Lacs in the year 2010 – 11, showing thereby a decrease of 5.12%.

### ► Profitability/Losses

(Rs. in Lacs)

Particulars	2011-12	% of turnover	2010-12	% of turnover
Profit/Losses before depreciation, interest and tax	1421.13	5.57	3328.24	12.38
Interest	1954.87	7.66	1080.18	4.02
Profit/Losses before Depreciation	(533.74)	-2.09	2248.06	8.36
Depreciation	1092.44	4.28	929.10	3.46
Profit/Losses before tax	(1626.18)	-6.37	1318.96	4.91
Tax	24.71	0.10	273.82	1.02
Profit/Losses after Tax	(1650.89)	-6.47	1045.14	3.89

Depreciation on fixed assets is 4.28% of total sales during the current year and 3.46 % in the previous year. Interest/Financial expenses increased from Rs. 1080.18 lacs for Financial Year 2010-11 to Rs. 1954.86 lacs for Financial Year 2011-12. Increase in interest due to increase in the working capital loans and increase in the interest rate on bank borrowings. There is no term loan availed for the 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 2012 are Rs. 15517.99 lacs as compared to Rs. 14862.52 lacs in the previous year. The net fixed assets (including work – in – progress & capital advances) as on 31st March 2012 are Rs. 15274.01 lacs as compared to Rs. 15314.07 lacs in the previous year.

### b) Investments

The Company has made investments in its subsidiaries to the tune of Rs. 8283.78 lacs by way of equity capital and Rs. 17219.72 lacs by way of Loans & Advances as on 31<sup>st</sup> March, 2012.

### c) Current Assets

Sundry debtors of the Company are Rs. 2688.32 lacs in the year 2011-12 as against the Rs. 3409.98 lacs in the previous year. Inventory level is at Rs. 2196.36 lacs in the year 2011-12 as against Rs. 5229.85 lacs in the previous year. Cash and cash equivalents decreased from Rs. 14134.78 lacs in the year 2010-11 to Rs. 372.00 lacs in the year 2011-12.

## Risk and Concerns

Factors that may affect results of operations

- Increases in price of raw materials
- Non-availability of raw material, labour 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. The differentiated treatment for different sectors of textile industry in government policy is also a serious setback in its development. We are making all efforts to cope up with all 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 a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those 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 internal control is designed to ensure that the financial and other records are reliable for preparing financial statements. 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 889 workers.

## Cautionary Statement

Statements made herein on Management Discussion & Analysis, describing the Company's expectations or predictions are "forward-looking statements", considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expected or predicted. Prime factors that may make a difference to the company's performance include market conditions, input cost, Government policies/regulations, economic conditions, and other incidental factors.



## DIRECTORS' REPORT

### Dear Members,

The Directors of your Company have pleasure in presenting their 15<sup>th</sup> Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March, 2012.

### 1. Financial Results & Performance Review

(Rs. In Lacs)

Particulars	2011-12	2010-11
Turnover & Other Income	27450.13	27135.78
Profit Before Depreciation, Interest, & Tax (PBDIT)	1421.13	3328.24
Interest and Financial Expenses	1954.87	1080.18
Profit Before Depreciation & Tax (PBDT)	(533.74)	2248.06
Depreciation	1092.44	929.10
Profit Before Tax (PBT)	(1626.18)	1318.96
Less- Provision for Tax (Including Deferred Tax)	24.71	273.82
Profit for the year (PAT)	(1650.89)	1045.14
Add-Surplus brought forward From previous Year	2565.38	1520.23
Profit available for Appropriations	914.49	2565.38
Appropriations		
Proposed Dividend	--	--
Bonus Shares Issued	--	--
Surplus Carried to Balance Sheet	914.49	2565.38

During the year under review, your company achieved total revenue of Rs. 274.50 Crores as against Rs. 271.35 Crores in the previous year. However, the company has incurred a loss of Rs. 16.51 Crores.

In the financial year 2011-12, Spinning Industry has faced unprecedented period of difficulty due to slow down in the yarn demand and sharp decline in the cotton prices. The uncertainties in the export policy of Government of India related to cotton fiber and cotton yarn had affected the textile Industry very badly. The main reason is the restriction imposed by Government of India on cotton yarn exports in the last quarter of year 2010-11. This has led to huge accumulation of cotton yarn inventory with spinning mills resulting to crash of yarn prices. The same has caused financial stress in the Industry.

- The company has incurred losses due to slow down in the textile and depreciation of Indian Rupee, the prices of yarn declined thereby impacting the profit margins. Further, due to slow down, there has been less production and low capacity utilization. The lower capacity utilization has impacted the net margin due to lesser recovery of fixed expenses.
- The company has taken adequate steps to minimize the impact of such factors and is gearing up to deal with such type of situations in the current year.

### 2. Dividend

Your directors 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. Utilization of GDRs Proceeds

During the year, under review your company has fully utilized GDRs (Global Depository Receipt) proceeds of US\$ 38,750,000 towards capital payments and investment in subsidiaries as per objects of offering circular.

### 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 LTD.

This 100% subsidiary of our company has set up the technical textile project at Village Thathal, Tehsil Amb, District Una, Himachal Pradesh for manufacturing of products like cotton crepe bandage, absorbent cotton, cotton balls, pads, dental rolls etc. The company has started its commercial production during the year. The company has achieved revenue from operations and trading sales of Rs. 4711.22 Lacs.

#### JINDAL SPECIALTY TEXTILES LTD.

This 100% subsidiary of our company manufacturing products like frontlit banner, fabric, general tarpauling, truck sides etc.. The company has set up its project at Thathal, Tehsil Amb, District Una, Himachal Pradesh in a land measuring approximately 400 Kanals. The company has started its partial production during the year. The company has achieved revenue from operations and trading sales of Rs.1497.51 Lacs.

#### HIMACHAL TEXTILE PARK LTD.

Himachal Textile Park Limited the another subsidiary of your company has set up the Textile Park in the state Himachal Pradesh to provide land and necessary infrastructure facilities to the participant units. Jindal Medicot Limited and Jindal Specialty Textiles Limited have already set up their technical textile projects in this Textile Park. More, Units are coming in the near future to set up their technical textile projects.

#### JINDAL METALEX LTD.

This 100% subsidiary of the company was incorporated 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 LTD.**

This 100% subsidiary of the company was incorporated 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.

#### **JINDAL INTERNATIONAL FZE**

This is 100% foreign subsidiary of our company set up in free zone in UAE to expand the presence of company globally. The company is engaged in the general trading activities. During the year under review, the company has achieved revenue of USD 28,215,000 from its operations.

#### **6. Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Sh. Yash Paul Jindal, Sh. Sandeep Jindal and Sh. Ramesh Jindal, Executive Directors and Sh. Madan Lal Arora, Independent Director 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, Sh. Vipan Kumar Mittal, who was associated with the company as an Independent director since, December, 2003 ceased to be director with effect from 14<sup>th</sup> August, 2012. The Board places on record its deep sense of appreciation of the invaluable contribution made by him to the growth of the company during his tenure as a Director of the company.

The Board of Directors has appointed Sh. Naresh Chand Bansal as Additional & Independent Director of the company with effect from 14<sup>th</sup> August, 2012. Sh. Naresh Chand Bansal is a Commerce Graduate, having 20 years of experience in the forging business. He will hold office till the date of ensuing annual general meeting and the company has received notice from a member proposing his candidature for being appointed as Director of the company.

#### **7. Corporate Governance**

As required under clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report 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 loss 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 under review, your company has invited fixed deposits under section 58A, within the limits prescribed under the Companies Act, 1956. Your company had fixed deposits of Rs. 631.08 Lacs as on 31<sup>st</sup> March, 2012.

#### **12. Particulars of Employees**

There are no employees covered under the provisions of section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

#### **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.

**By order of the Board  
For Jindal Cotex Limited**

**Place: Ludhiana  
Date: 14<sup>th</sup> August, 2012**

**(Sandeep Jindal)  
Chairman and Managing Director**



## 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, 2012:-

### I. CONSERVATION OF ENERGY

#### FORM A

PARTICULARS	UNIT	2011-12	2010-11
<b>A POWER &amp; FUEL CONSUMPTION</b>			
a) Electricity purchased			
Units	KWH in lacs	208.00	268.34
Amount	Rs. In lacs	1259.22	1425.61
Rate per unit	Rs. Per unit	5.94	5.31
b) Own generation			
Through Diesel Generator	KWH In lacs	2.88	18.01
Units per litre	Units	3.22	3.46
Cost of Diesel/LDO	Rs. In lacs	37.47	180.67
Rate per unit	Rs. Per unit	13.01	10.03
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
Synthetic and Cotton Yarn	KWH/Kg	2.41	2.67

### 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

S. No.	PARTICULARS	2011-12	2010-11
<b>A)</b>	<b>Foreign Exchange Earning</b>		
	A. FOB Value of Exports	745.10	937.17
	B. Interest and Dividend	15.45	116.61
<b>B)</b>	<b>Foreign Exchange Outgo</b>		
	C. Raw Material	0.00	0.00
	D. Capital Goods and Advances	370.75	336.70
	E. Stores & Spares	7.56	3.10
	F. Foreign Travelling Expenses	42.70	21.79
	G. Interest on Foreign currency loans	153.85	197.32
	H. Fees & Taxes	0.00	0.00
	I. GDR Issue Expenses	1.76	582.46





# Annual Report 2011-12

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on the Code of Governance

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, Government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance which, envisages transparency, professionalism and accountability in all its operations.

### 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 7(seven) times on 14.05.2011, 30.06.2011, 28.07.2011, 12.08.2011, 12.10.2011, 14.11.2011 and 14.02.2012.

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 as per details given below:-

Name of Directors	Designation	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of directorship of other Indian public limited companies	No. of chairmanship/ membership of committees in other companies
Sh. Sandeep Jindal	Chairman and Managing Director	Promoter, Executive	7	Yes	7	Nil
Sh. Yash Paul Jindal	Whole time Director	Promoter, Executive	7	Yes	7	Nil
Sh. Ramesh Jindal	Whole time Director	Promoter, Executive	7	Yes	7	Nil
Sh. Rajinder Jindal	Whole time Director	Promoter, Executive	7	Yes	7	Nil
Sh. Aman Jindal	Whole time Director	Promoter, Executive	7	Yes	7	Nil
Sh. Sahil Jindal	Whole time Director	Promoter, Executive	7	Yes	7	Nil
Sh. Madan Lal Arora	Director	Non Executive, Independent	6	No	2	Nil
Sh. Nirmal Kumar Jain	Director	Non Executive, Independent	6	No	1	Nil
Sh. Vipin Mittal	Director	Non Executive, Independent	5	No	1	Nil
Sh. Vijesh Gupta	Director	Non Executive, Independent	5	No	Nil	Nil
Sh. Satish Kumar Gupta	Director	Non Executive, Independent	6	No	Nil	Nil
Sh. Vinay Shrivastav	Director	Non Executive, Independent	2	No	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



**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 the report.

**d) Promoters/Directors Shareholding as on 31st March, 2012 :-**

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 2011-12, the audit committee met on five 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	5
Sh. Madan Lal Arora	Non Executive and Independent Director	5
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	5

**4. Remuneration Committee**

The Remuneration Committee of the company comprises of the following members namely Sh. Nirmal Kumar Jain, Sh. Vipran Kumar Mittal and Sh. Vijesh Gupta. Sh. Nirmal Kumar Jain is the Chairman of the Committee. During the year 2011-12, the Remuneration committee met on one occasion.

**a) Attendance of Remuneration Committee :**

Name of Director	Category	No. of Meetings held & attended
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	1
Sh. Vipran Kumar Mittal	Non Executive and Independent Director	1
Sh. Vijesh Gupta	Non Executive and Independent Director	1

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 & Whole Time Directors within the limits approved by the shareholders and subject to overall ceiling stipulated in accordance with the provisions of Schedule XIII of the Companies Act, 1956. The remuneration paid or payable to the Directors for services rendered during 2011-12 is given as under:

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	3.00	-	-	3.00
Sh. Sahil Jindal	3.00	-	-	3.00
<b>Total</b>	<b>57.00</b>	<b>-</b>	<b>-</b>	<b>57.00</b>

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 Sh. Madan Lal Arora, Sh. Vijesh Gupta, Sh. Vipran 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.

During the year, the Board of Directors has dissolved



the share transfer committee and all the work of share transfer committee will now be look after by the Shareholders/Investor's Grievance Committee.

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

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. Vipin Kumar Mittal	Non Executive and Independent Director	4
Sh. Sandeep Jindal	Non Executive and 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
30.09.2011 at 10.00 A.M.	2010-11	Regd. Office: V.P.O. Jugiana, G.T. Road, Ludhiana	3
28.09.2010 at 10.00 A.M.	2009-10		2
11.07.2009 at 11.00 A.M.	2008-09		NIL

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.30 of the Audited Accounts of the company for the Year ended 31.03.2012. There were no material transactions during the year 2011-12 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 2011-12.

### d. GDRs of Issue

During the year, under review your company has fully utilized the proceeds of GDRs (Global Depository Receipt) of US\$ 38.75 Million towards capital payments and investment in subsidiaries as per objects of offering circular.

### 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](http://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](http://www.corpfiling.co.in).



## 10. General Shareholders information:

### a. 15<sup>th</sup> Annual General Meeting

Date : 29<sup>th</sup> September, 2012  
 Time : 09.30 A.M.  
 Place : V.P.O. Jugiana, G.T. Road,  
 Ludhiana

b. Financial Year : April 1 to March 31

c. Listed on stock : BSE Limited  
 Exchanges : 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 2012 – 13 has been paid to BSE 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 vis – a – vis BSE Sensex during the year from April, 2011 to March, 2012 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, 2011	108.50	97.00	98.40	-2.9	19811.14	18976.19	19135.96	-1.6
May, 2011	114.30	87.60	104.15	5.8	19253.87	17786.13	18503.28	-3.3
June, 2011	115.00	97.90	106.60	2.4	18873.39	17314.38	18845.87	1.9
July, 2011	121.70	103.50	110.20	3.4	19131.70	18131.86	18197.20	-3.4
August, 2011	112.40	88.00	92.45	-16.1	18440.07	15765.53	16676.75	-8.4
September, 2011	97.00	80.00	82.95	-10.3	17211.80	15801.01	16453.76	-1.3
October, 2011	86.85	65.00	77.05	-7.1	17908.13	15745.43	17705.01	7.6
November, 2011	103.65	68.00	70.55	-8.4	17702.26	15478.69	16123.46	-8.9
December, 2011	76.20	39.75	58.45	-17.2	17003.71	15135.86	15454.92	-4.1
January, 2012	68.40	53.20	62.95	7.7	17258.97	15358.02	17193.55	11.2
February, 2012	82.10	62.00	68.75	9.2	18523.78	17061.55	17752.68	3.3
March, 2012	74.40	57.30	60.20	-12.4	18040.69	16920.61	17404.20	-2.0



## g. Share Transfer System:

- fi 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.
- fi During the year, the Board of Directors has dissolved the share transfer committee and all the work of share transfer committee will now be look after by the Shareholders/Investor's Grievance Committee.
- fi 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 Shareholders/Investor's Grievance Committee of the company. Valid demat requests are cleared twice in a week.

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 31/03/2012

No. of Shares	No. of Shareholders	% to total Shareholders	No. of Shares held	% total shares held
Upto 5000	5268	88.5676	594472	1.3210
5001-10000	333	5.5985	258023	0.5733
10001-20000	124	2.0847	187963	0.4177
20001-30000	44	0.7397	115196	0.2560
30001-40000	24	0.4035	86114	0.1914
40001-50000	16	0.2690	74996	0.1666
50001-100000	34	0.5716	253950	0.5643
Above 100000	105	1.7653	43432426	96.5098
	<b>5948</b>	<b>100</b>	<b>45003140</b>	<b>100</b>

## i. Shareholding Pattern as on 31/03/2012:

Category	No. of Shares held	% to total paid up Share capital
Promoter and Promoter Group	13750000	30.55
Foreign Institutions Investors	1273928	2.83
Bodies Corporate	6720950	14.93
Clearing Member	107247	0.24
NRI	38886	0.09
GDRs	19820000	44.04
Public (Individual)	3292129	7.32
<b>TOTAL</b>	<b>45003140</b>	<b>100</b>

## j. Dematerialization of Shares and Liquidity:

As on 31st March, 2012, 100% of the equity capital was in dematerialized form with NSDL and CDSL. The shares of the company are traded on BSE Limited and National Stock Exchange of India Limited and have good liquidity.

- k. The company has issued 5,000,000 GDRs (Global Depository Receipts) representing 20000000 equity shares on 30.06.2010. These GDRs are listed on Luxembourg Stock Exchange. As on 31.03.2012, GDRs 49,55,000 are still outstanding.

## l. Plant Locations:-

- i. VPO Jugiana, Ludhiana  
(Punjab)
- ii. Village Mandiala Kalan, Bija,  
(Punjab)
- iii. 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](http://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](mailto:info@bigshareonline.com)

## o. Compliance Officer:

Mr. Anil Kumar,  
Company Secretary  
Email ID: [cs@jindalcotex.com](mailto:cs@jindalcotex.com)



## DECLARATION OF CHAIRMAN AND MANAGING DIRECTOR

The Company has framed Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct during the year ended 31<sup>st</sup> March, 2012.

**Date: 14th August, 2012**  
**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, 2012, 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**

**Dated: 14th August, 2012**  
**Place: Ludhiana**

**(Pawan Kumar Garg)**  
**Partner**  
**M. No. 083139**



# Annual Report 2011-12

## AUDITORS' REPORT

The Members,

Jindal Cotex Limited

1. We have audited the attached Balance Sheet of Jindal Cotex Ltd. as at 31<sup>st</sup> March 2012 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 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31.03.2012 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 31<sup>st</sup> March, 2012 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

**Dated: 30.05.2012**  
**Place: Ludhiana**

**(Pawan Kumar Garg)**  
Partner  
M. No. 083139



## 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, 2012)

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 five 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 17219.72 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 05 persons covered in the register maintained u/s 301 of the companies Act, 1956. The amount involved in the transaction is Rs 749.40 Lacs. The amount payable at the close of the year is Rs 379.16 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 accepted deposits pursuant to the provisions of section 58-A of the Companies Act, 1956. The company has duly complied with the provisions of section 58-A and 58-AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975.
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 134.14 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 31.03.12) 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.
10. The company has no accumulated losses but has incurred cash loss during the current financial year under audit. However, there was no cash loss in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to bank, financial institutions, or debenture holders. Amt. of default in repayment of Loan – 224.36 lacs, default in payment of Interest-98.55 lacs. Period of default in repayment of Loan - 1 month and in payment of Interest-1-3 months.
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 234.75 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. The Company has not raised any monies by way of public issues during the year.
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**  
**M. No. 083139**

**Dated: 30.05.2012**  
**Place: Ludhiana**



# Jindal Cotex Limited

## BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	NOTE NO.	(Amount in Rs.)	
		31.03.2012	31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholder's Funds</b>			
a) Share Capital	1	450,031,400	450,031,400
b) Reserves and Surplus	2	2,372,316,726	2,535,096,617
c) Money received against share warrants		-	-
Sub Total		2,822,348,126	2,985,128,017
<b>2) Share Application Money pending allotment</b>		-	-
<b>3) Non-Current Liabilities</b>			
a) Long Term Borrowings	3	591,656,088	818,696,433
b) Deferred Tax Liabilities (Net)	4.1	-	-
c) Other Long Term Liabilities	4.2	30,966,065	2,433,633
d) Long Term Provisions		-	-
<b>4) Current Liabilities</b>			
a) Short term Borrowings	5	842,172,979	790,065,602
b) Trade Payables	6	399,252,203	327,864,716
c) Other Current Liabilities	7	184,641,776	14,326,784
d) Short term Provisions	8	32,297,519	44,934,682
<b>TOTAL</b>		<b>4,903,334,756</b>	<b>4,983,449,867</b>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>1) a) Fixed assets</b>	9		
i) Tangible Assets		1,072,127,492	1,105,193,383
ii) Intangible assets		98,290	115,390
iii) Capital Work in Progress		455,175,243	426,098,085
iv) Intangible Assets under Development		-	-
Sub Total		1,527,401,025	1,531,406,858
b) Non Current Investments	10	828,577,664	709,700,000
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and Advances	11	173,836,863	156,520,113
e) Other Non Current assets		-	-
Sub Total		2,529,815,552	2,397,626,971
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	12	219,636,455	522,985,071
c) Trade receivables	13	268,831,564	340,998,064
d) Cash and Cash Equivalents	14	37,200,114	1,413,477,873
e) Short Term Loans and Advances	15	1,847,851,071	308,361,888
f) Other Current Assets		-	-
<b>TOTAL</b>		<b>4,903,334,756</b>	<b>4,983,449,867</b>

Significant Accounting Policies and  
Notes on Financial Statements attached

1 to 39

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

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

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139



# Annual Report 2011-12

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in Rs.)  
31.03.2011

PARTICULARS	NOTE NO.	31.03.2012	31.03.2011
I. Revenue From Operations	16	2,550,875,297	2,688,621,447
II. Other Income	17	194,138,072	24,957,222
III. Total Revenue (I+II)		<u>2,745,013,369</u>	<u>2,713,578,669</u>
IV. Expenses			
Cost of Materials Consumed	18	1,238,450,526	1,698,321,448
Purchase of Stock in Trade	19	888,774,065	658,786,389
Changes in Inventories of Finished goods, work-in-progress and Stock-In-Trade	20	176,996,765	(286,497,746)
Employee Benefits Expenses	21	99,519,676	86,660,709
Finance Costs	22	195,486,686	108,017,623
Depreciation and Amortization Exps.	23	109,244,186	92,909,503
Other Expenses	24	199,159,024	223,483,165
Total Expenses		<u>2,907,630,928</u>	<u>2,581,681,091</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(162,617,559)	131,897,578
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		(162,617,559)	131,897,578
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		(162,617,559)	131,897,578
X Tax Expense:		-	-
1) Current Tax		-	26,287,847
2) Deferred Tax		-	-
3) Adjustment for earlier years tax		2,471,418	1,094,405
Sub Total		2,471,418	27,382,252
XI Profit/(Loss) for the period (V-VI)		(165,088,977)	104,515,326
XII Earnings per Equity Share:	25		
1) Basic - In Rs.		(3.67)	2.61
2) Diluted - In Rs.		(3.67)	2.61

Significant Accounting Policies and  
Notes on Financial Statements attached

1 to 39

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

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

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary



# Jindal Cotex Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(162,617,559)	131,897,578
Adjustment For: -		
Depreciation	109,244,186	92,909,503
Foreign Exchange Fluctuation Gain	(172,593,764)	(1,136,250)
Foreign Currency Translation Reserve	2,309,086	-
Interest Received	(16,667,333)	(20,816,416)
Interest Expense	195,486,686	108,017,623
Profit on sales of fixed assets	(2,371,647)	(917,244)
Provision For Tax	-	(26,287,847)
Previous year Income Tax	(2,471,418)	(1,094,405)
<b>Operating Profit before working capital Changes</b>	<b>(49,681,763)</b>	<b>282,572,542</b>
Adjustment For		
Trade & Other Receivables	72,166,500	(231,955,807)
Loans and advances	(1,539,489,183)	(65,106,448)
Inventories	303,348,616	(332,378,135)
Trade and other Payables	229,065,316	197,417,540
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(984,590,514)</b>	<b>(149,450,307)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(109,842,535)	(610,943,870)
Sale of Fixed Assets	6,975,830	1,292,300
Investment in Baroda Pioneer Equity Fund	-	(200,000)
Investment in Subsidiaries	(118,877,664)	(58,700,000)
Long Term Loan and Advances	(17,316,750)	(122,918,327)
Interest Received	16,667,333	20,816,416
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(222,393,786)</b>	<b>(770,653,481)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	(198,507,913)	254,613,432
Proceeds from Short term borrowings	52,107,377	448,628,928
Foreign Exchange Fluctuation Gain	172,593,764	1,136,250
Interest Expense	(195,486,686)	(108,017,623)
Proceeds from FD Scheme	-	-
Net Proceeds from Issue of Equity Shares	-	1,686,633,712
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(169,293,458)</b>	<b>2,282,994,699</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>	<b>(1,376,277,758)</b>	<b>1,362,890,911</b>
<b>Cash and Cash Equivalent at beginning of year</b>	<b>1,413,477,873</b>	<b>50,586,962</b>
<b>Cash and Cash Equivalent at the end of year</b>	<b>37,200,115</b>	<b>1,413,477,873</b>

Note 14

For and on behalf of the Board of Directors

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

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

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139



## SIGNIFICANT ACCOUNTING POLICIES

### A. 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 materialize.

### B. 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.

### C. 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.

### D. 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.



## SIGNIFICANT ACCOUNTING POLICIES

### E. Intangible assets

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

### F. 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.

### G. 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.

### H. 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.

### I. Foreign Currency Conversion/Translation

Foreign Currency Transactions are accounted at the exchange rate prevailing on the date of the transactions. Foreign exchange monetary items outstanding as at the B/S date are reported using the closing rate, Gains & Losses resulting from the settlement of such transactions & translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit & Loss A/c.

In case of a foreign subsidiary, being a Non Integral operation the long term Monetary items are restated at the exchange rate prevailing on the reporting date and the difference if any arising thereon is taken in for currency translation reserve and the short term monetary items are also restated at the exchange rate prevailing on the reporting date and the difference arising thereupon is recognized in Profit & Loss A/c

### J. 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.

### K. Investments

Long term investments are carried at cost, less provision for diminution if it is of permanent nature in value of such investments.

### L. 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.

### M. 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.

### N. 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).

### O. 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.



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>NOTE NO. 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 27000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	270,000,000
<u>INCREASE DURING THE YEAR</u>	-	330,000,000
NIL (PREV. YEAR 33,000,000 EQUITY SHARES OF RS. 10/- EACH)		
<u>AT THE END OF THE YEAR</u>	600,000,000	600,000,000
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 60000000 EQUITY SHARES OF RS. 10/- EACH)		
<b>ISSUED CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 25003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	250,031,400
<u>INCREASE DURING THE YEAR</u>	-	200,000,000
NIL (PREV. YEAR 20000000 EQUITY SHARES OF RS. 10/- EACH)		
<u>AT THE END OF THE YEAR</u>	450,031,400	450,031,400
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)		
<b>SUBSCRIBED AND PAID UP CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 25003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	250,031,400
<u>INCREASE DURING THE YEAR</u>	-	200,000,000
NIL (PREV. YEAR 20000000 EQUITY SHARES OF RS. 10/- EACH)		
<u>AT THE END OF THE YEAR</u>	450,031,400	450,031,400
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)		

### **SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

<u>NAME OF PERSON</u>	% C.Y. 31.03.2012	% L.Y. 31.03.2011	NO. OF SHARES	NO. OF SHARES
JP Morgan Chase Bank NA	44	44	19,820,000	20,000,000
Ramesh Kumar Jindal	8	8	3,642,216	3,642,216
Rajinder Kumar Jindal	8	8	3,606,576	3,606,576
Yash Paul Jindal	7	7	3,139,218	3,139,218

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

	31.03.2012	31.03.2011
(Equity shares issued as Bonus shares on 04.07.2008)	4,801,596	4,801,596

### **Rights, preferences and restrictions attaching to each class of shares**

**Equity Shares:** The company has only one class of equity shares having par value of Rs. 10/- per share. Each holders of equity shares present is entitled to have one vote upon show of hands and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment

Dividend shall be paid by the Company in respect of any share only to the registered holder of such share or to his order or to his banker.

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



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(Amount in Rs.)

PARTICULARS	31.03.2012	31.03.2011
<b>NOTE NO. 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Surplus in Profit and Loss Account</b>		
As per Last Balance Sheet	256,538,253	152,022,927
Add Profit during the year	(165,088,977)	104,515,326
Less Transfer to General Reserve	-	-
Closing Balance	<u>91,449,276</u>	<u>256,538,253</u>
<b>Securities Premium reserve</b>		
As per Last Balance Sheet	2,278,558,364	791,924,652
Add:- On issue of Shares/ GDRs	-	1,600,000,000
	<u>2,278,558,364</u>	<u>2,391,924,652</u>
Less:IPO/GDR Expenses Adjusted	-	58,088,630
Less:Foreign Currency fluctuation for GDR	-	55,277,658
Closing Balance	<u>2,278,558,364</u>	<u>2,278,558,364</u>
<b>Foreign Currency Translation Reserve</b>		
As per Last Balance Sheet	-	-
Add Transfer from Foreign Exchange Fluctuation	2,309,086	-
Closing Balance	<u>2,309,086</u>	<u>-</u>
Total Reserves and Surplus	<u>2,372,316,726</u>	<u>2,535,096,617</u>

### NOTE NO. 3

#### LONG TERM BORROWINGS

<b>I Secured</b>				
1 Term Loans from Banks*			505,358,994	681,090,348
<b>Total Secured Long Term Borrowings (I)</b>			<u>505,358,994</u>	<u>681,090,348</u>
<b>II Unsecured</b>				
1 Term Loans from Banks			6,271,009	-
2 Deferred Payment Liabilities			-	-
3 Deposits **			42,110,000	-
4 Loans and Advances from related parties #		2011-12	2010-11	
a Jindal Holdings & Investment Ltd.		22,490,000	136,000,000	
b Jindal Cycle (P) Ltd.		-	100,000	
c Sh. Yash Paul Jindal		12,004,245	4,245	
d Sh. Rajinder Jindal		16,360	16,360	
e Sh. Sandeep Jindal		721,120	1,120	
f Sh. Ramesh Jindal		2,684,360	1,484,360	
5 Other Loans and Advances				
a Intercompany loans				-
b Others				-
<b>Total Unsecured Long Term Borrowings ( II )</b>			<u>86,297,094</u>	<u>137,606,085</u>
<b>Total Long Term Borrowings (I+II)</b>			<u>591,656,088</u>	<u>818,696,433</u>

\* Maturity Profile of Secured Term Loans are as set out below:

Term loans from Banks	1-2 years	2-3 years	3-5 years	beyond 5 years
Current Year	92,801,472	123,454,500	250,833,306	38,269,718
Prev Year	94,857,188	88,533,623	232,716,687	148,286,340

\*\*Maturity Profile of Deposits are as set out below:

	1-2 years	2-3 years
Current Year	6,015,000	36,095,000
Prev Year	Nil	Nil

#### With reference to Secured Term Loans and the amount Current Maturities of such Secured Loans.

- Term Loan of Rs 381098000 from OBC, Rs 162994899 from Allahabad Bank Rs 12121302 from Corporation Bank are secured by way of Ist Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road, Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana
- Term Loan of Rs 28593441 From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan.
- Term Loan of Rs 38676579 from Central Bank Of India is secured by way of equitable mortgage of Land in the name of the Company situated at village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana
- Loans of Rs 19622102 are secured by way of hypothecation of respective vehicles.  
Amt. Of default in repayment of Loan - 22436000 (Prev. yr. - Nil) Default in payment of Interest-9854674 (Prev. yr.-NIL)  
Period of continuing default in repayment of Loan - 1 month (Prev.yr. - Nil) In payment of Interest-1-3 months (Prev. yr.-NIL)  
All Secured Loans except car loans have also been guaranteed by following directors of the Company.
  - Sh. Sandeep Jindal
  - Sh. Yash Paul Jindal
  - Sh. Rajinder jindal
  - Sh. Ramesh Jindal

#### # With reference to loans and advances from related parties

All the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.(Prev. yr. also all the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.)

Amt. Of default in repayment of Loan - Nil (Prev. yr. - Nil) Default in payment of Interest-NIL (Prev. yr.-NIL)

Period of continuing default in repayment of Loan - Nil (Prev. yr. - Nil) In payment of Interest-NIL (Prev. yr.-NIL)





# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>NOTE NO. 4.1</b>		
<b><u>DEFERRED TAX LIABILITY ( NET )</u></b>		
Liability on account of Timing Difference Depreciation	60,457,310	54,820,000
<b>Less:</b> 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)	60,457,310	54,820,000
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE NO. 4.2</b>		
<b><u>OTHER LONG TERM LIABILITIES</u></b>		
Trade Payables ( Long Term )	-	-
Others (Capital Goods)	30,966,065	2,433,633
	<u>30,966,065</u>	<u>2,433,633</u>
<p>The Company has not received any communication from any of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.</p>		
<b>NOTE NO. 5</b>		
<b><u>SHORT TERM BORROWINGS</u></b>		
<b>I <u>Secured</u></b>		
<b><u>Loans Repayable on Demand/Working Capital Loans</u></b>		
1 From Banks	797,172,979	790,065,602
2 Loans repayable on Demand - Others (Secured)	-	-
<b>Total Secured Short Term Borrowings (I)</b>	<u>797,172,979</u>	<u>790,065,602</u>
<b>II <u>Unsecured</u></b>		
<b>1 Loans repayable on Demand</b>		
a From Banks	-	-
b From other parties	-	-
2 Loans and Advances from related parties	-	-
3 Deposits	-	-
4 Other Loans and Advances		
a Intercorporate loans	45,000,000	-
b Others	-	-
<b>Total Unsecured Short Term Borrowings ( II )</b>	<u>45,000,000</u>	<u>-</u>
<b>Total Short Term Borrowings (I+II)</b>	<u>842,172,979</u>	<u>790,065,602</u>

- a Short Term Borrowings of Rs 645475710 are Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Further these Limits are secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road , Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana and Personal guarantees of promoter directors.
- b Short Term borrowings of Rs151697269 are Secured by equitable Mortgage of Commercial Plot in the name of M/s Jindal Cycles Pvt. Ltd and Personal guarantees of promoter directors.
- c Amt. Of default in repayment of Loan - Nil (Prev. yr. - Nil) Default in payment of Interest-NIL (Prev. yr.-NIL)



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(Amount in Rs.)

PARTICULARS	31.03.2012	31.03.2011		
<b>NOTE NO. 6</b>				
<b>TRADE PAYABLES</b>				
Due to Micro, Small and Medium Enterprises	-	353,980		
Due to Others	399,252,203	327,510,736		
	<u>399,252,203</u>	<u>327,864,716</u>		
<b>Note:</b>				
The Company has not received any communication from all of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.				
<b>NOTE NO. 7</b>				
<b>OTHER CURRENT LIABILITIES</b>				
a Current Maturities of Long - Term Debt	137,747,329	-		
b Deposits maturing within next 12 months	20,998,000	-		
c Interest Accrued but not due on Borrowings	-	-		
d Interest Accrued and due on Borrowings	17,641,726	-		
e Advances from Customers	587,410	462,664		
f Cheques issued but not presented for payment	7,667,311	13,864,120		
<b>Total</b>	<u>184,641,776</u>	<u>14,326,784</u>		
<b>NOTE NO. 8</b>				
<b>SHORT TERM PROVISIONS</b>				
a <u>Provisions for Employee benefits</u>	2011-12	2010-11	17,251,836	15,571,092
Bonus Payable	2,323,078	2,528,788		
Gratuity payable	4,132,464	4,013,729		
E.S.I. Payable	176,417	238,144		
Leave With Wages Payable	1,863,922	1,028,034		
Provident Fund Payable	794,139	894,508		
Personnel Expenses Payable	7,928,633	6,846,736		
Welfare Fund Payable	33,183	21,153		
b <u>Others</u>			15,045,683	29,363,590
TDS Payable	1,818,693	1,040,651		
Freight & Cartage Payable	199,490	147,868		
Expenses Payable	138,758	163,337		
T.C.S. Payable	248,313	35,059		
Service tax payable	4,841	17,193		
Works Tax Payable	-	40,000		
Electricity Expenses Payable	7,994,913	6,539,963		
Telephone Expenses Payable	28,988	59,608		
Interest payable	4,611,687	72,493		
Provision for Taxation	-	21,247,418		
<b>Total</b>			<u>32,297,519</u>	<u>44,934,682</u>



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### Note No. 9

#### Fixed Asset

Sr. No.	Particulars	Gross Block				Depreciaton				Net Block		
		Value at the beginning	Addition during the year	Other Adjustments	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
I	<b>Tangible Assets</b>											
1	Land	44004635	18006938	-	-	62,011,573	-	-	-	62,011,573	44,004,635	
2	Factory Building	48336817	-	-	-	48,336,817	31,692,317	1,664,450	-	33,356,767	14,980,050	16,644,500
3	Building	205326698	1,393,814	-	-	206,720,512	10,312,454	5,954,239	-	16,266,693	190,453,820	195,014,245
4	Plant and Equipment	1016438968	42,278,446	-	15,218,629	1,043,498,784	300,411,665	90,046,763	10,614,446	379,843,982	663,654,802	716,027,302
5	Weigh Bridge & Scales	1321638	13,061	-	-	1,334,699	555,364	49,252	-	604,616	730,083	766,274
6	Electric Installations	58347819	1,414,890	-	-	59,762,708	13,843,349	2,561,510	-	16,404,859	43,357,850	44,504,470
7	Scooter	28000	5,072	-	-	33,072	6,085	2,861	-	8,946	24,126	21,915
8	Vehicles	3511412	-	-	-	3,511,412	1,121,036	350,110	-	1,471,146	2,040,266	2,390,376
9	Furnitures & Fixtures	2605085	218,595	-	-	2,823,680	1,052,679	124,909	-	1,177,588	1,646,092	1,552,406
10	Cars	26792353	17,141,618	-	-	43,933,971	6,447,665	3,466,982	-	9,914,647	34,019,324	20,344,688
11	Office Equipment	3733843	142,644	-	-	3,876,487	1,004,717	163,389	-	1,168,106	2,708,381	2,729,126
12	Computer	9936869	150,301	-	-	10,087,170	4,067,484	1,371,125	-	5,438,609	4,648,561	5,869,386
13	Wind Mill	65748035	-	-	-	65,748,035	10,423,974	3,471,496	-	13,895,470	51,852,565	55,324,061
	<b>SUB TOTAL (A)</b>	<b>1,486,132,171</b>	<b>80,765,378</b>	<b>-</b>	<b>15,218,629</b>	<b>1,551,678,921</b>	<b>380,938,789</b>	<b>109,227,086</b>	<b>10,614,446</b>	<b>479,551,429</b>	<b>1,072,127,492</b>	<b>1,105,193,383</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>1,103,849,441</b>	<b>388,316,703</b>	<b>-</b>	<b>6,033,972</b>	<b>1,486,132,171</b>	<b>293,692,512</b>	<b>92,905,193</b>	<b>5,658,916</b>	<b>380,938,789</b>	<b>1,105,193,383</b>	<b>810,156,929</b>
II	<b>Intangible Assets</b>	119,700	-	-	-	119,700	4,310	17,100	-	21,410	98,290	115,390
	<b>SUB TOTAL (B)</b>	<b>119,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,700</b>	<b>4,310</b>	<b>17,100</b>	<b>-</b>	<b>21,410</b>	<b>98,290</b>	<b>115,390</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>-</b>	<b>119,700</b>	<b>-</b>	<b>-</b>	<b>119,700</b>	<b>-</b>	<b>4,310</b>	<b>-</b>	<b>4,310</b>	<b>115,390</b>	<b>-</b>
III	<b>Capital Work-in-progress</b>	426,098,085	10,913,937	18,163,221	-	455,175,243	-	-	-	-	455,175,243	426,098,085
	<b>SUB TOTAL (C)</b>	<b>426,098,085</b>	<b>10,913,937</b>	<b>18,163,221</b>	<b>-</b>	<b>455,175,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455,175,243</b>	<b>426,098,085</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>203,590,617</b>	<b>141,770,064</b>	<b>80,737,404</b>	<b>-</b>	<b>426,098,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>426,098,085</b>	<b>203,590,617</b>
IV	<b>Intangible Assets Under Development</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total [A + B + C + D] (Current Year)</b>	<b>1,912,349,956</b>	<b>91,679,315</b>	<b>18,163,221</b>	<b>15,218,629</b>	<b>2,006,973,864</b>	<b>380,943,099</b>	<b>109,244,186</b>	<b>10,614,446</b>	<b>479,572,839</b>	<b>1,527,401,025</b>	<b>1,531,406,858</b>
	<b>(Previous Year)</b>	<b>1,103,849,441</b>	<b>530,206,467</b>	<b>80,737,404</b>	<b>6,033,972</b>	<b>1,912,349,956</b>	<b>293,692,512</b>	<b>92,909,503</b>	<b>5,658,916</b>	<b>380,943,099</b>	<b>1,531,406,857</b>	<b>1,013,747,546</b>

### NOTE NO. 10

#### NON CURRENT INVESTMENTS

##### I Trade Investments ( Long Term )

Investment in Equity Instruments

(Unquoted- Fully Paid Up )

Sub Total I

-	-
<hr/>	<hr/>
-	-

##### II Other Investments ( Long Term )

a Investment in Equity Instruments

(Unquoted- Fully Paid Up )

**In Equity Shares of Subsidiary Companies**

**M/s Jindal Medicot Limited**

(50000 (prev. yr. 50000) Equity Shares of

Rs 10/- each fully paid up and

and 3750000 (prev. yr. 3750000) shares @ Rs.10/-each

fully paid up at a premium of Rs 70 /- per share)

300,500,000

300,500,000



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>M/s Jindal Specialty Textiles Ltd.</b>	511,750,000	405,500,000
(50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up and 4050000 (prev. yr. 4050000) shares @ Rs.10/-each at a premium of Rs.90/- each and 850000 (prev. yr. Nil) shares @ Rs.10/-each at a premium of Rs.115/- each		
<b>M/s Himachal Textile Park Ltd</b>	2,500,000	2,500,000
(250000 (prev. yr. 250000) Equity Shares of Rs 10/- each fully paid up		
<b>M/s Jindal Metalex Ltd</b>	500,000	500,000
(Formerly known as Jindal Foods & Beverages Ltd.) (50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up )		
<b>M/s Jindal Infrabiz Ltd</b>	500,000	500,000
(50000 (prev. yr. 50000) Equity Shares of Rs 10/- each fully paid up		
<b>M/s Jindal International FZE</b>	12,627,664	-
(I Share (prev. yr. Nil) of 1 million AED fully paid up)		
b Other Non-Current Investments	-	-
(Quoted- Fully Paid Up ) Other than Subsidiaries BARODA PIONEER PSU EQUITY FUND	200,000	200,000
Sub Total II	<u>828,577,664</u>	<u>709,700,000</u>
<b>Total Long Term Investments ( I+II)</b>	<u>828,577,664</u>	<u>709,700,000</u>
Aggregate Amount of Quoted Investments	200,000	200,000
Market Value of Quoted Investments	146,600	163,600
Aggregate Amount of Unquoted Investments	828,377,664	709,500,000
Aggregate Provision for diminution in Value of Investments *	-	-
Note : All investments are valued at cost.		
* Nil as they are not of Permanent Nature		

### NOTE NO. 11

#### **LONG TERM LOANS & ADVANCES**

(Unsecured and Considered Good)

a <b>Security Deposits</b>		
Lease Securities	4,500,000	4,500,000
Electricity Security	6,536,483	6,536,483
Telephone Security	40,571	40,571
Sales Tax Security ( Rajasthan)	20,000	20,000
L P G Security	2,100	2,100
Advance Consumption Deposit PSPCL	5,271,560	-
Security Shipping Lines	30,000	-
b <b>Loans and Advances to related parties</b>		
Jindal Medicot Ltd	134,634,253	78,792,846
Jindal Specialty Textiles Ltd	21,572,253	66,378,113
Jindal Metalex Ltd.	429,643	250,000
Himachal Textiles Park Ltd.	800,000	-
<b>Total</b>	<u>173,836,863</u>	<u>156,520,113</u>



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>NOTE NO. 12</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
a Raw Materials	28,261,611	156,067,967
b Work in Progress	24,063,019	18,747,296
c Finished Goods	76,625,952	320,141,081
d Stock In Trade	71,200,865	-
e Store & Spares	13,367,106	11,912,601
f Others (Scrap/Waste)	6,117,901	16,116,126
<b>Total</b>	<b>219,636,455</b>	<b>522,985,071</b>
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.		
<b>NOTE NO. 13</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured & considered good)		
a Outstanding for a period exceeding six months from the date they are due for payment	59,866,489	36,570,279
b Outstanding for a period not exceeding six months from the date they are due for payment	208,965,075	304,427,785
<b>Total</b>	<b>268,831,564</b>	<b>340,998,064</b>
<b>NOTE NO. 14</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
a Balance with Banks	11,185,270	1,400,555,735
b Cash in Hand	7,734,844	1,972,138
c Fixed Deposit with banks	4,055,000	10,950,000
d Other Bank balances	-	-
Fixed Deposit as Margin money	14,225,000	-
<b>Total</b>	<b>37,200,114</b>	<b>1,413,477,873</b>
<b>NOTE NO. 15</b>		
<b>SHORT -TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
a <b>Loans and advances to related parties (Short Term)</b>		
Jindal International FZE (Current Account)	1,387,137	-
Jindal Medicot Ltd	-	12,284,493
Jindal International FZE	1,561,967,550	-
Jindal Specialty Textile Ltd (Current Account)	1,181,000	-
Sub Total	1,564,535,687	12,284,493
b <b>Others</b>		
Advances recoverable in cash or in kind or for value to be received		
i) Advance to Suppliers	23,194,681	22,086,902
ii) Prepaid Expenses	3,922,842	1,843,985
iii) Prepaid Insurance	702,787	851,304
iv) Advance Income Tax - Net of Provision	433,562	-
v) Vat Input	13,284,938	39,398,982
vi) Excise & Service Tax Balance	47,338,667	48,554,232
vii) Other Advances	194,437,908	183,341,990
<b>Total</b>	<b>1,847,851,071</b>	<b>308,361,888</b>
<u>Loans and advances include the amounts due from</u>		
Directors-Either severally or jointly	-	-
Other officers of the Company-either severally or jointly	-	-
Firm in which director is a partner	-	-
Private company in which directors is a member	-	-



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>NOTE NO. 16</b>		
<b>REVENUE FROM OPERATIONS</b>		
a Sale of Products - Inclusive of Excise Duty	2,545,951,022	2,691,014,739
b Sale of Services	-	-
c Other Operating Revenue (Sale of DEPB)	5,139,996	-
Total Revenue	<u>2,551,091,018</u>	<u>2,691,014,739</u>
Less: Excise Duty	215,721	2,393,292
<b>Total</b>	<u><u>2,550,875,297</u></u>	<u><u>2,688,621,447</u></u>
<b>NOTE NO. 17</b>		
<b>OTHER INCOME</b>		
Interest Income	16,667,333	20,816,416
Foreign Exchange Fluctuation	172,593,764	1,136,250
Foreign Exchange Fluctuation (Export)	2,382,322	934,223
Profit on sale of fixed assets	2,371,647	917,244
Misc income	123,006	1,153,089
<b>Total</b>	<u><u>194,138,072</u></u>	<u><u>24,957,222</u></u>
<b>NOTE NO. 18</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw Materials.... I	156,067,967	100,911,883
Purchase of Raw Materials.... II	1,110,644,170	1,753,477,532
Closing Stock Raw Materials.....III	28,261,611	156,067,967
Cost of Raw Material Consumed ( I+II-III )	<u><u>1,238,450,526</u></u>	<u><u>1,698,321,448</u></u>
<b>NOTE NO. 19</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Purchases	888,774,065	658,786,389
<b>Total Purchase</b>	<u><u>888,774,065</u></u>	<u><u>658,786,389</u></u>
<b>NOTE NO. 20</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>WORK-IN-PROGRESS &amp; STOCK IN TRADE</b>		
Opening Stock of Finished Goods	320,141,081	39,205,762
Opening Stock of Work-in-Progress	18,747,296	20,992,246
Opening Stock of Stock-in-Trade	-	-
Opening Stock of Waste	16,116,126	8,308,749
Sub Total A	<u><u>355,004,503</u></u>	<u><u>68,506,757</u></u>
Closing Stock of Finished Goods	76,625,952	320,141,081
Closing Stock of Work-in-Progress	24,063,019	18,747,296
Closing Stock of Stock-in-Trade	71,200,865	-
Closing Stock of Waste	6,117,902	16,116,126
Sub Total B	<u><u>178,007,738</u></u>	<u><u>355,004,503</u></u>
<b>TOTAL ( A-B )</b>	<u><u>176,996,765</u></u>	<u><u>(286,497,746)</u></u>



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>NOTE NO. 21</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Wages	32,514,789	26,800,572
Salary to Others	16,060,695	11,718,784
Remuneration to Directors	5,700,000	5,350,000
Total Salary & Wages	54,275,484	43,869,356
House Rent Allowance	16,914,889	14,019,970
Special Allowance	1,498,364	1,373,252
Conveyance/Transport Allowance	10,620,216	10,616,676
Medical Allowance/Expenses	1,158,480	1,013,620
Bonus	2,807,042	2,417,230
Leave with Wages	2,175,682	1,220,341
E.S.I.	1,742,194	1,843,931
Contribution to Provident Fund	5,231,275	4,828,479
Staff Welfare Expenses	119,341	130,554
Gratuity	641,830	2,395,226
Canteen & Beverages Expenses	1,177,743	1,334,422
Ex-Gratia	569	75,000
Insurance -EDLI	232,310	133,371
Security Expenses	304,085	1,084,546
Contribution to Welfare Fund	35,556	26,055
Notice Pay	433,537	46,715
Recruitment Expenses	151,079	231,965
<b>Balance</b>	<b>99,519,676</b>	<b>86,660,709</b>
<b>NOTE NO. 22</b>		
<b>FINANCE COSTS</b>		
Interest on Bank Borrowings	184,910,304	99,110,018
Interest on Purchase	5,228,955	4,099,199
Bank Charges	4,960,267	4,808,406
Fixed Deposit Scheme Expenses	259,660	-
Interest on Unsecured Loans	127,500	-
<b>Total</b>	<b>195,486,686</b>	<b>108,017,623</b>
<b>NOTE NO. 23</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	109,244,186	92,909,503
<b>Total</b>	<b>109,244,186</b>	<b>92,909,503</b>
<b>NOTE NO. 24</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power & Fuels	131,249,741	137,239,310
Packing Materials Consumed	13,159,743	26,479,387
Building Repair & Maintenance	931,393	1,023,038
Machinery Repair & Maintenance	15,502,951	17,472,496
Electric Repair & Maintenance	2,750,289	3,078,166
Production Expenses	1,759,887	3,148,061
Rent - Air compressor	29,888	-
Sub Total	165,383,892	188,440,458



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(Amount in Rs.)  
31.03.2011

PARTICULARS	31.03.2012	31.03.2011
<b><u>Selling &amp; Distribution Expenses</u></b>		
Sales Commission	639,957	3,387,575
Export Expenses	2,451,931	4,208,173
Freight & Octroi Outward	175,972	229,573
Commission on export	5,756,118	1,383,528
Rebate & Discount	-	1,480,112
Sub Total II	<u>9,023,978</u>	<u>10,688,961</u>
<b><u>OTHERS</u></b>		
<b><u>Auditor's Remuneration</u></b>		
Audit Fee	204,055	204,055
For Tax Audit	16,545	16,545
Reimbursement of out of Pocket Exps.	11,155	14,598
	<u>231,755</u>	<u>235,198</u>
Advertisement & Publicity	376,633	490,179
Vehicle Repair & Maintenance	664,181	699,187
Car Repair & Maintenance	1,214,920	1,251,634
Scooter Repair & Maint	31,737	28,713
Travelling Expenses	2,540,587	3,291,304
Wind Mill Expenses	3,066	50,613
Telephone Expenses	1,591,355	1,375,183
Internet Expenses	387,399	445,159
Loading & Unloading Charges	1,409,129	2,493,034
Printing & Stationery	621,140	650,650
Postage & Telegram	256,630	158,212
Local Conveyance	417,699	246,989
Legal & Professional Charges	1,505,723	1,205,864
ERP Implementation Charges	846,298	703,829
Lease Rent on Land	144,000	144,000
Insurance	1,683,520	817,793
Godown Rent	60,000	60,000
Annual Maint Chgs/ Wind Mill AMC	1,436,333	1,331,913
Revenue Stamps	2,550	2,190
Horticultural Expenses	8,970	7,112
General Expenses	332,873	197,599
Festival Expenses	787,546	231,822
Rates & Taxes	1,622,925	1,405,647
Entertainment Expenses	333,096	264,081
Director Travelling Expenses	5,228,026	3,499,297
Charity & Donation	51,000	1,107,400
Computer Repair & Maintenance	83,936	142,208
Training Expenses	-	10,966
Books & Periodicals	7,551	11,054
Service Tax	84,349	590,566
Share Trf & Listing Fees	216,394	209,075
Other Expenses	569,833	995,275
Sub Total III	<u>24,751,154</u>	<u>24,353,746</u>
<b>TOTAL OF OTHER EXPENSES</b>	<u>199,159,024</u>	<u>223,483,165</u>

### **NOTE NO. 25**

#### **EARNINGS PER SHARE**

i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(165,088,977)	104,515,326
ii) Weighted Average number of equity shares used as denominator for calculating EPS	45,003,140	45,003,140
iii) Basic Earnings per share	(3.67)	2.61
iv) Diluted Earnings per share	(3.67)	2.61
iv) Face Value per equity share	10.00	10.00





# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(Amount in Rs.)

PARTICULARS	31.03.2012	31.03.2011
<b>NOTE NO. 26</b>		
<b><u>VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS</u></b>		
Raw Material	-	-
Components and Spare Parts	756,428	310,000
Capital Goods	37,075,260	33,670,000
<b>Total</b>	<b>37,831,688</b>	<b>33,980,000</b>
<b>NOTE NO. 27</b>		
<b><u>EXPENDITURE IN FOREIGN CURRENCY</u></b>		
Foreign Travelling Expenses	4,270,393	2,179,000
Interest on FCNRB Loans	15,384,692	19,732,455
GDR Issue/Maintenance Expenses	176,450	58,246,000
<b>Total</b>	<b>19,831,535</b>	<b>80,157,455</b>
<b>NOTE NO. 28</b>		
<b><u>CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS &amp; COMPONENTS</u></b>		
Indigenous	1,256,924,276	1,730,813,000
% of Total Consumption	100	100
Imported	756,428	310,000
% of Total Consumption	-	-
<b>Total</b>	<b>1,257,680,704</b>	<b>1,731,123,000</b>
<b>NOTE NO. 29</b>		
<b><u>EARNING IN FOREIGN EXCHANGE</u></b>		
Export of Goods- F.O.B. Basis	74,509,644	93,717,223
Interest and Dividend	1,544,661	11,661,517
<b>Total</b>	<b>76,054,305</b>	<b>105,378,740</b>
<b>NOTE NO. 30</b>		
<b><u>RELATED PARTY DISCLOSURES</u></b>		
As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:		
1) <b>List of related parties where control exists and related parties with whom transactions have taken place:</b>		
<b>S.No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Jindal Medicot Limited	Subsidiary Company
2	Jindal Specialty Textiles Limited	Subsidiary Company
3	Jindal Metalex Limited	Subsidiary Company
4	Jindal Infrabiz Limited	Subsidiary Company
5	Himachal Textile Park Limited	Subsidiary Company
6	Jindal International FZE	Subsidiary Company
7	Jindal Cycles Private Limited	} Enterprises over which KMP or their relatives are able to exercise significant influence or control.
8	Jindal Fine Industries	
9	Leader Cycles Ltd.*	
10	Jindal Infomedia Pvt. Ltd.*	
11	Jindal Holdings & Investment Ltd.*	} Key Managerial Personnel
12	Mr. Sandeep Jindal	
13	Mr. Yash Paul Jindal	
14	Mr. Ramesh Jindal	
15	Mr. Rajinder Jindal	
16	Mr. Aman Jindal	
17	Mr. Sahil Jindal	
18	Mrs. Manu Jindal	

\* No Transactions have taken place during the year.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### II) Transactions during the year with related parties:

S. No.	Nature of Transactions	Subsidiaries	Enterprises over which KMP or their relatives are able to exercise significant influence or control.	Key Management Personnel	Others	Total
1	Purchases	78,835,048				78,835,048
	(Prev. Yr.)	56,726,779				56,726,779
2	Sales	24,946,507				24,946,507
	(Prev. Yr.)	-				-
3	Rent Paid		60,000	144,000		204,000
	(Prev. Yr.)		60,000	144,000		204,000
3	Interest received	-				-
	(Prev. Yr.)	5,277,161				5,277,161
4	Remuneration			5,700,000	423,500	6,123,500
	(Prev. Yr.)			5,350,000	423,500	5,773,500
5	Net Loans & advances given	1,564,266,384				1,564,266,384
	(Prev. Yr.)	119,929,573				119,929,573
	<b>Balances at the year end</b>					
1	Loans & advances given	1,721,971,836				1,721,971,836
	(Prev. Yr.)	145,420,959				145,420,959

### NOTE NO. 31

The Company has taken Godown on Lease from M/s Jindal Cycles Pvt. Ltd. At a monthly rental of Rs 5000. The Lease will expire on July 29, 2014. The company recognises the expense on due basis.

The classification of Future Lease obligations towards Lease Rentals is as follows:-

	<u>Current Year</u>	<u>Previous Year</u>
- not later than one year	60,000	60,000
-later than one year and not later than five years	80,000	140,000
-later than five years	Nil	Nil
	<u>140,000</u>	<u>200,000</u>

### NOTE NO. 32

Actuarial assumptions

	Gratuity (Unfunded)	
	2011-12 1994-96 (Ultimate)	2010-11 1994-96 (Ultimate)
Discount rate (per annum)	8%	0
Rate of escalation in salary (per annum)	7%	0

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### NOTE NO. 33

Segment information for the year ended 31<sup>st</sup> March, 2012

#### (a) Information about Primary Business Segments

	Textile		Wind Mill		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>Revenue:</b>						
External (Net of Excise)	2545314985	2683423854	5560312	5,197,593	2,550,875,297	2688621447
Inter-segment	-	-	-	-	-	-
Total Revenue	2545314985	2683423854	5560312	5,197,593	2,550,875,297	2688621447
<b>Result:</b>						
Segment Result	(153277311)	141097578	(3640248)	(3,850,000)	(156,917,559)	137247578
Unallocated Expenditure					5,700,000	5350000
Profit before Tax					(162,617,559)	131897578
Provision for Tax/Adjustment of tax for Earlier Years					2,471,418	27382252
Profit After Tax					(165,088,977)	104515326

	Textile		Wind Mill		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Assets	4022904528	4223466233	51852565	55,324,061	4,074,757,093	4278790295
Segment Liabilities	2051864987	1970690277	29121643	32,672,000	2,080,986,630	2003362277
Capital Expenditure	105029572	281503000	-----	-----	105,029,572	281503000
Depreciation	105772690	89438007	3471496	3,471,496	109,244,186	92909503

#### (b) Information about Secondary Geographical Segments

Revenue by geographical market

	India	Asia (other than India)	America North & South	Europe	Africa	Total
External	2475373518	-	2976903	6,505,815	66,234,782	2551091018
Prev Year	2596612354	57337963	20309392	4,130,004	12,625,026	2691014739
Inter-segment						
Total	2475373518	-	2976903	6,505,815	66,234,782	2551091018
Total Prev Year	2596612354	57337963	20309392	4,130,004	12,625,026	2691014739

#### (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.
- 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.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### **NOTE NO. 34**

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.

### **NOTE NO. 35**

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

### **NOTE NO. 36**

All figures have been rounded off to nearest rupees.

### **NOTE NO. 37**

Figures in brackets indicate deductions.

### **NOTE NO. 38**

#### **CONTINGENT LIABILITIES AND COMMITMENTS**

(To the extent not provided for)

#### **a Contingent Liabilities**

i) Claims against company not Acknowledged as Debt	-	-
ii) Other Money for which the Company is Contingently liable	-	-
iii) Duty saved upon procurement of machinery pending fulfillment of export obligation	42,333,000	138,031,000
iv) 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.	41,729,000	41,729,000
v) Demand raised by sales tax authorities and the same is disputed by the company.	13,414,000	13,414,000
vi) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Subsidiaries	2,347,500,000	1,627,500,000

#### **b Commitments**

i) Estimated amount of contracts remaining to be executed on capital and not provided for	886,345,242	928,305,492
ii) Uncalled liability on Shares and other investments partly paid	-	-
iii) Other Commitments	-	-

#### **Total**

3,331,321,242	2,748,979,492
---------------	---------------

### **NOTE NO. 39**

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 1<sup>st</sup> 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.

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

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

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

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139



## CONSOLIDATED RESULTS OF JINDAL COTEX LIMITED

### AUDITORS' REPORT

The Members,  
Jindal Cotex Limited  
Ludhiana

1. We have audited the attached Consolidated Balance Sheet of Jindal Cotex Ltd and its subsidiaries as at 31<sup>st</sup> March 2012 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.
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. 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.
4. 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.
  - I) In case of the Balance Sheet, of the state of Affairs of the Company as at 31<sup>st</sup> March, 2012 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

**Dated: 30.05.2012**  
**Place: Ludhiana**

**(Pawan Kumar Garg)**  
Partner  
M. No. 083139



# Jindal Cotex Limited

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	NOTE NO.	(Amount in Rs.)	
		31.03.2012	31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholder's Funds</b>			
a) Share Capital	1	450,031,400	450,031,400
b) Reserves and Surplus	2	2,375,518,751	2,543,131,001
c) Minority Interest		40,000	-
Sub Total		2,825,590,151	2,993,162,401
<b>2) Share Application Money pending allotment</b>		-	-
<b>3) Non-Current Liabilities</b>			
a) Long Term Borrowings	3	2,049,207,301	2,092,590,467
b) Deferred Tax Liabilities (Net)	4.1	-	-
c) Other Long Term Liabilities	4.2	206,477,802	86,569,990
d) Long Term Provisions		-	-
<b>4) Current Liabilities</b>			
a) Short term Borrowings	5	1,149,046,050	790,065,602
b) Trade Payables	6	549,073,355	340,706,854
c) Other Current Liabilities	7	504,948,234	46,198,686
d) Short term Provisions	8	-	28,633,430
<b>TOTAL</b>		<b>7,284,342,893</b>	<b>6,377,927,430</b>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>1) a) Fixed assets</b>	9		
i) Tangible Assets		2,542,274,817	1,188,436,399
ii) Intangible assets		98,290	115,390
iii) Capital Work in Progress		1,592,700,716	2,192,696,473
iv) Intangible Assets under Development		-	-
Sub Total		4,135,073,823	3,381,248,262
b) Non Current Investments	10	202,500	202,500
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and Advances	11	20,796,064	11,997,404
e) Other Non Current assets		1,024,525	964,529
Sub Total		4,157,096,912	3,394,412,696
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	12	329,733,086	523,582,862
c) Trade receivables	13	1,859,194,108	342,666,172
d) Cash and Cash Equivalents	14	63,738,900	1,626,394,015
e) Short Term Loans and Advances	15	874,579,887	490,871,685
f) Other Current Assets		-	-
<b>TOTAL</b>		<b>7,284,342,893</b>	<b>6,377,927,430</b>

Significant Accounting Policies and  
Notes on Financial Statements attached

1 to 39

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

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

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary



# Annual Report 2011-12

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	NOTE NO.	(Amount in Rs.)	
		31.03.2012	31.03.2011
I. Revenue From Operations	16	4,476,144,963	2,690,017,472
II. Other Income	17	222,540,771	32,487,300
III. Total Revenue (I+II)		<u>4,698,685,734</u>	<u>2,722,504,772</u>
IV. Expenses			
Cost of Materials Consumed	18	2,698,850,736	1,696,850,259
Purchase of Stock in Trade	19	1,388,588,090	660,454,497
Changes in Inventories of Finished goods, work-in-progress and Stock-In-Trade	20	89,991,840	(286,497,746)
Employee Benefits Expenses	21	113,317,830	87,468,871
Finance Costs	22	232,627,347	108,017,623
Depreciation and Amortization Exps.	23	125,403,348	93,057,343
Other Expenses	24	219,236,258	223,665,465
Total Expenses		<u>4,868,015,448</u>	<u>2,583,016,312</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(169,329,714)	139,488,460
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		(169,329,714)	139,488,460
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		(169,329,714)	139,488,460
X Tax Expense:			
1) Current Tax		-	28,633,430
2) Deferred Tax		-	-
3) Adjustment for earlier years tax		2,471,418	1,094,405
Sub Total		2,471,418	29,727,835
XI Profit/(Loss) for the period (V-VI)		(171,801,132)	109,760,625
XII Earnings per Equity Share:	25		
1) Basic - In Rs.		(3.82)	2.74
2) Diluted - In Rs.		(3.82)	2.74

Significant Accounting Policies and Notes on Financial Statements attached

1 to 39

For and on behalf of the Board of Directors

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

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary



# Jindal Cotex Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(169,329,714)	139,488,460
Adjustment For: -		
Depreciation and Amortisation	125,403,348	93,057,343
Foreign Exchange Fluctuation Gain	(176,352,645)	(1,136,250)
Foreign Currency Translation Reserve	4,188,882	-
Interest Received	(44,505,329)	(28,346,494)
Interest Expense	232,627,347	108,017,623
Profit on sales of fixed assets	(1,275,076)	(917,244)
Provision For Tax	-	(28,633,430)
Previous year Income Tax	(2,471,418)	(1,094,405)
<b>Operating Profit before working capital Changes</b>	<b>(31,714,605)</b>	<b>280,435,603</b>
Adjustment For		
Trade & Other Receivables	(1,516,527,936)	(233,623,915)
Loans and advances	(383,708,202)	(221,423,798)
Inventories	193,849,776	(332,975,926)
Trade and other Payables	638,482,619	296,044,544
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,099,618,348)</b>	<b>(211,543,492)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(883,685,252)	(1,948,367,738)
Sale of Fixed Assets	5,879,259	1,292,300
Investment in Quoted & Unquoted Fund	-	(202,500)
Long Term Loan and Advances	(8,798,660)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(886,604,652)</b>	<b>(1,947,277,938)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	76,524,646	1,528,507,466
Proceeds from Short term borrowings	358,980,448	448,628,928
Foreign Exchange Fluctuation Gain	176,352,645	1,136,250
Interest Received	44,505,329	28,346,494
Interest Expense	(232,627,347)	(108,017,623)
Misc. Expenses	(207,836)	(521,009)
Net Proceeds from Issue of Equity Shares	40,000	1,686,633,712
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>423,567,885</b>	<b>3,584,714,218</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>	<b>(1,562,655,115)</b>	<b>1,425,892,789</b>
<b>Cash and Cash Equivalent at beginning of year</b>	<b>1,626,394,015</b>	<b>200,501,226</b>
<b>Cash and Cash Equivalent at the end of year</b>	<b>63,738,900</b>	<b>1,626,394,015</b>

For and on behalf of the Board of Directors

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

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

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139





## SIGNIFICANT ACCOUNTING POLICIES

### A. 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.

#### 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.

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 31 <sup>st</sup> March 2012
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.	Jindal International FZE	U.A.E.	100%
6.	Himachal Textile Park Limited	India	98.44%

### b) Going Concern Convention

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

### B. 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.



## SIGNIFICANT ACCOUNTING POLICIES

### C. 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.

### D. 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.

### E. Intangible assets

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

### F. 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.

### G. 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.

### H. 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.

### I. Foreign Currency Conversion/Translation

Foreign Currency Transactions are accounted at the exchange rate prevailing on the date of the transactions. Foreign exchange monetary items outstanding as at the B/S date are reported using the closing rate. Gains & Losses resulting from the settlement of such transactions & translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit & Loss A/c.

In case of a foreign subsidiary, being a Non Integral operation the long term Monetary items are restated at the exchange rate prevailing on the reporting date and the difference if any arising thereon is taken in for currency translation reserve and the short term monetary items are also restated at the exchange rate prevailing on the reporting date and the difference arising thereupon is recognized in Profit & Loss A/c

### J. 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.

### K. Investments

Long term investments are carried at cost, less provision for diminution if it is of permanent nature in value of such investments.

### L. 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.

### M. 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.

### N. 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).

### O. 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.), the project of wind mill (for generation of electricity for re-sale) and trading of iron. The company is also operating in different geographical segments. The relevant information about these segments are given as part of Notes on Accounts.



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>NOTE NO. 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 27000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	270,000,000
<u>INCREASE DURING THE YEAR</u>		
NIL (PREV. YEAR 33,000,000 EQUITY SHARES OF RS. 10/- EACH)	-	330,000,000
<u>AT THE END OF THE YEAR</u>		
60000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 60000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000
<b>ISSUED CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 25003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	250,031,400
<u>INCREASE DURING THE YEAR</u>		
NIL (PREV. YEAR 20000000 EQUITY SHARES OF RS. 10/- EACH)	-	200,000,000
<u>AT THE END OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	<u>450,031,400</u>	<u>450,031,400</u>
<b>SUBSCRIBED AND PAID UP CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 25003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	250,031,400
<u>INCREASE DURING THE YEAR</u>		
NIL (PREV. YEAR 20000000 EQUITY SHARES OF RS. 10/- EACH)	-	200,000,000
<u>AT THE END OF THE YEAR</u>		
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	<u>450,031,400</u>	<u>450,031,400</u>

### **SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

<u>NAME OF PERSON</u>	% C.Y.		% L.Y.	
	31.03.2012	31.03.2011	NO. OF SHARES	NO. OF SHARES
JP Morgan Chase Bank NA	44	44	19,820,000	20,000,000
Ramesh Kumar Jindal	8	8	3,642,216	3,642,216
Rajinder Kumar Jindal	8	8	3,606,576	3,606,576
Yash Paul Jindal	7	7	3,139,218	3,139,218

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

	31.03.2012	31.03.2011
(Equity shares issued as Bonus shares on 04.07.2008)	4,801,596	4,801,596

### **Rights, preferences and restrictions attaching to each class of shares**

**Equity Shares:** The company has only one class of equity shares having par value of Rs. 10/- per share. Each holders of equity shares present is entitled to have one vote upon show of hands and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment

Dividend shall be paid by the Company in respect of any share only to the registered holder of such share or to his order or to his banker.

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



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(Amount in Rs.)

31.03.2012 31.03.2011

### PARTICULARS

#### NOTE NO. 2

##### RESERVES AND SURPLUS

##### Surplus in Profit and Loss Account

As per Last Balance Sheet	264,572,637	154,812,012
Add Profit during the year	(171,801,132)	109,760,625
Less Transfer to General Reserve	-	-
Closing Balance	92,771,505	264,572,637

##### Securities Premium reserve

As per Last Balance Sheet	2,278,558,364	791,924,652
Add:- On issue of Shares/ GDRs	-	1,600,000,000
	2,278,558,364	2,391,924,652
Less:Preliminary expenses Adjusted	-	1,650,000
Less:GDR Expenses Adjusted	-	56,438,630
Less:Foreign Currency fluctuation for GDR	-	55,277,658
Closing Balance	2,278,558,364	2,278,558,364

##### Foreign Currency Translation Reserve

As per Last Balance Sheet	-	-
Add Transfer from Foreign Exchange Fluctuation	4,188,882	-
Closing Balance	4,188,882	-

##### Total Reserves and Surplus

	2,375,518,751	2,543,131,001
--	---------------	---------------

#### NOTE NO. 3

##### LONG TERM BORROWINGS

##### I Secured

1 Term Loans from Banks*	1,915,101,376	1,954,834,382
<b>Total Secured Long Term Borrowings (I)</b>	<b>1,915,101,376</b>	<b>1,954,834,382</b>

##### II Unsecured

1 Term Loans from Banks		6,271,009	-
2 Deferred Payment Liabilities		-	-
3 Deposits **		42,110,000	-
4 Loans and Advances from related parties #	2011-12	2010-11	
a Jindal Holdings & Investment Ltd.	22,490,000	136,000,000	
b Jindal Cycle (P) Ltd.	-	100,000	
c Sh. Yash Paul Jindal	12,054,245	54,245	
d Sh. Rajinder Jindal	66,310	66,360	
e Sh. Sandeep Jindal	3,379,951	1,120	
f Sh. Ramesh Jindal	2,734,360	1,534,360	40,724,916
5 Other Loans and Advances			
a Intercorporate Loans			45,000,000
b Others			-
<b>Total Unsecured Long Term Borrowings ( II )</b>			<b>134,105,925</b>

##### Total Long Term Borrowings (I+II)

	2,049,207,301	2,092,590,467
--	---------------	---------------

\* Maturity Profile of Secured Term Loans are as set out below:

Term loans from Banks	1-2 years	2-3 years	3-5 years	beyond 5 years
Current Year	360,330,954	361,987,830	771,099,973	421,682,619
Prev Year	484,487,030	313,066,955	709,783,351	447,497,046

\*\*Maturity Profile of Deposits are as set out below:

	1-2 years	2-3 years
Current Year	6,015,000	36,095,000
Prev Year	Nil	Nil

##### With reference to Secured Term Loans and the amount Current

##### Maturities of such Secured Loans.

- Term Loan of Rs. 381098000 (Prev. Yr. Rs. 44187135) from OBC, Rs. 162994899 (Prev. Yr. Rs. 187066745) from Allahabad Bank Rs. 12121302 (Prev. Yr. Rs. 4608024) from Corporation Bank are secured by way of 1st Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Further these Loans are Secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T.Road, Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana.
- Term Loan of Rs. 28593441 (Prev. Yr. Rs. 31045000) From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan.
- Term Loan of Rs. 38676579 (Prev. Yr. Nil) from Central Bank Of India is secured by way of equitable mortgage of Land in the name of the Company situated at village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana
- Loans of Rs. 19622102 (Prev. Yr. Rs. 12484003) are secured by way of hypothecation of respective vehicles.
- Term Loan of Rs 397434255/- from SBI (Prev. Year - Rs.356859202/-), Rs 182132205 from Bank of Baroda (Prev. Year - Rs. 180278215/-) are secured by way of 1st Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.
- Rs 61186372 from Central Bank of India (Prev. Year - Nil) is secured by way of 1st Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company.
- Term Loan of Rs 608041975 from PNB, Rs 204694116 from Corporation Bank Rs. 204986792 from Allahabad Bank are secured by way of 1st Pari Passu charge on the Fixed Assets of the Company and 2nd charge on the Current Assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar,Thathal Teh.Amb, Dist Una. Further these Limits are also Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.  
Amt. of default in repayment of Loan - 46636000 (Prev. yr. - Nil) Default in payment of Interest-31671694 (Prev. yr.-NIL)  
Period of continuing default in repayment of Loan - 1 month (Prev.yr. - Nil) In payment of Interest-1-3 months (Prev. yr.-NIL)  
All Secured Loans except car loans have also been guaranteed by following directors of the Company.  
i. Sh. Sandeep Jindal  
ii. Sh. Yash Paul Jindal  
iii. Sh. Rajinder Jindal  
iv. Sh. Ramesh Jindal

##### #With reference to loans and advances from related parties

All the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.(Prev. yr. also all the Loans are repayable after 12 months from the date of squaring up bank dues. However the company reserve the right to prepay it.)



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>NOTE NO. 4.1</b>		
<b><u>DEFERRED TAX LIABILITY ( NET )</u></b>		
Liability on account of Timing Difference Depreciation	64,934,437	54,820,000
<b>Less:</b> 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)	64,934,437	54,820,000
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE NO. 4.2</b>		
<b><u>OTHER LONG TERM LIABILITIES</u></b>		
Trade Payables ( Long Term )	-	-
Others (Capital Goods)	206,477,802	86,569,990
	<u>206,477,802</u>	<u>86,569,990</u>
<p>The Company has not received any communication from any of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.</p>		
<b>NOTE NO. 5</b>		
<b><u>SHORT TERM BORROWINGS</u></b>		
<b>I <u>Secured</u></b>		
<b><u>Loans Repayable on Demand/Working Capital Loans</u></b>		
1 From Banks	1,149,046,050	790,065,602
2 Loans repayable on Demand - Others (Secured)	-	-
<b><u>Total Secured Short Term Borrowings (I)</u></b>	<u>1,149,046,050</u>	<u>790,065,602</u>
<b>II <u>Unsecured</u></b>		
<b>1 Loans repayable on Demand</b>		
a From Banks	-	-
b From other parties	-	-
2 <b>Loans and Advances from related parties</b>	-	-
3 <b>Deposits</b>	-	-
4 <b>Other Loans and Advances</b>	-	-
a Intercompany loans	-	-
b Others	-	-
<b><u>Total Unsecured Short Term Borrowings ( II )</u></b>	<u>-</u>	<u>-</u>
<b><u>Total Short Term Borrowings (I+II)</u></b>	<u>1,149,046,050</u>	<u>790,065,602</u>
a	Short Term Borrowings of Rs. 645475710 (Prev. Yr. Rs. 572110475) are Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Further these Limits are secured by way of equitable mortgage of Factory Land and Building of the company situated at VPO Jugiana, G.T. Road, Ludhiana and at Village Mandiala Kalan, Tehsil Khanna, Distt. Ludhiana and Personal guarantees of promoter directors.	
b	Short Term borrowings of Rs. 151697269 (Prev. Yr. Rs. 151561693) are Secured by equitable Mortgage of Commercial Plot in the name of M/s Jindal Cycles Pvt. Ltd and Personal guarantees of promoter directors.	
c	Short Term borrowings of Rs. 151697269 as on 31.03.2011 are Secured against charge over all the stock of Raw Cotton lying at village Jugiana and also secured by personally guaranteed by the Managing Director.	
d	Short Term Borrowings of Rs. 186,359,244 from State Bank of India (Prev. Year - NIL) are Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar, Thathal Teh. Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.	
e	Short Term Borrowings of Rs. 40,547,567 from Punjab & Sind Bank (Prev. Year - NIL) are Secured by way of 1st charge on Current/ Fixed Assets Purchased by the Company in Trading division and 2nd charge on the Current/ Fixed assets of the Company in Manufacturing unit. Equitable Mortgage of Land in the name of Jindal Cotex Limited Situated at village Mandiala Kalan, Teh. Khanna, Dist. Ludhiana.	
f	Short Term Borrowings of Rs. 124966260 (Prev. Year - NIL) are from Punjab National Bank Secured by way of 1st charge on Current Assets of the Company and 2nd charge on the fixed assets of the Company. Equitable Mortgage of Leasehold rights of Land and Building Situated at Upmahal, Ramnagar, Thathal Teh. Amb, Dist Una. Further these Limits are Secured by way of equitable mortgage of Land and Building in the name of Himachal Textile Park Limited.	



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### PARTICULARS

31.03.2012 (Amount in Rs.)  
31.03.2011

#### NOTE NO. 6

##### TRADE PAYABLES

Due to Micro, Small and Medium Enterprises

- 353,980

Due to Others

549,073,355 340,352,874

##### Note:

The Company has not received any communication from all of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.

549,073,355 340,706,854

#### NOTE NO. 7

##### OTHER CURRENT LIABILITIES

a Current Maturities of Long - Term Debt

386,480,662 -

b Deposits maturing within next 12 months

20,998,000 -

c Interest Accrued but not due on Borrowings

- -

d Interest Accrued and due on Borrowings

17,641,726 -

e Advances from Customers

647,267 185,320

f Other Payables

79,180,579 46,013,366

##### Total

504,948,234 46,198,686

#### NOTE NO. 8

##### SHORT TERM PROVISIONS

a Provisions for Employee benefits

- -

b Others

Provision for Taxation

- 28,633,430

##### Total

- 28,633,430

#### NOTE NO. 9

##### FIXED ASSET

Sr. No	Particulars	Gross Block				Depreciation				Net Block		
		Value at the beginning	Addition during the year	Other Adjustments	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
I	<b>Tangible Assets</b>											
1	Land	125768039	101,056,938	-	-	226,824,977	-	-	-	-	226,824,977	125,768,039
2	Factory Building	48336817	297,877,765	-	-	346,214,582	31,692,317	4,354,585	-	36,046,902	310,167,680	16,644,500
3	Building	205326698	1,393,814	-	-	206,720,512	10,312,454	5,954,239	-	16,266,693	190,453,819	195,014,244
4	Plant and Equipment	1016438968	1,042,254,283	-	15,218,629	2,043,474,621	300,411,665	102,814,591	10,614,446	392,611,811	1,650,862,811	716,027,302
5	Weigh Bridge & Scales	1321638	13,061	-	-	1,334,699	555,364	49,252	-	604,616	730,083	766,274
6	Electric Installations	58375199	19,523,432	-	-	77,898,631	13,844,188	2,836,503	-	16,680,691	61,217,940	44,531,011
7	Scooter	28000	5,072	-	-	33,072	6,085	2,861	-	8,946	24,126	21,915
8	Vehicles	4244162	-	-	-	4,244,162	1,200,374	419,721	-	1,620,095	2,624,067	3,043,788
9	Furnitures & Fixtures	2873847	1,871,322	-	-	4,745,169	1,073,131	224,890	-	1,298,021	3,447,148	1,800,716
10	Cars	26792353	17,141,618	-	-	43,933,971	6,447,665	3,466,982	-	9,914,647	34,019,324	20,344,688
11	Office Equipment	3829193	1,348,617	-	-	5,177,810	1,006,917	196,015	-	1,202,932	3,974,878	2,822,276
12	Computer	10422026	1,244,584	-	-	11,666,609	4,094,440	1,496,769	-	5,591,209	6,075,400	6,327,585
13	Wind Mill	65748035	-	-	-	65,748,035	10,423,974	3,471,496	-	13,895,470	51,852,565	55,324,061
	<b>SUB TOTAL (A)</b>	<b>1,569,504,974</b>	<b>1,483,730,505</b>	<b>-</b>	<b>15,218,629</b>	<b>3,038,016,850</b>	<b>381,068,574</b>	<b>125,287,904</b>	<b>10,614,446</b>	<b>495,742,032</b>	<b>2,542,274,817</b>	<b>1,188,436,399</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>1,104,715,485</b>	<b>470,823,462</b>	<b>-</b>	<b>6,033,972</b>	<b>1,569,504,974</b>	<b>293,721,954</b>	<b>93,005,536</b>	<b>5,658,916</b>	<b>381,068,575</b>	<b>1,188,436,399</b>	<b>810,993,531</b>
II	<b>Intangible Assets</b>	119,700	-	-	-	119,700	4,310	17,100	-	21,410	98,290	115,390
	<b>SUB TOTAL (B)</b>	<b>119,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,700</b>	<b>4,310</b>	<b>17,100</b>	<b>-</b>	<b>21,410</b>	<b>98,290</b>	<b>115,390</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>-</b>	<b>119,700</b>	<b>-</b>	<b>-</b>	<b>119,700</b>	<b>-</b>	<b>4,310</b>	<b>-</b>	<b>4,310</b>	<b>115,390</b>	<b>-</b>
III	<b>Capital</b>	2,192,696,473	2,021,994,892	1,421,999,135	-	1,592,700,716	-	-	-	-	1,592,700,716	2,192,696,473
	<b>Work-in-progress</b>	2,192,696,473	2,021,994,892	1,421,999,135	-	1,592,700,716	-	-	-	-	1,592,700,716	2,192,696,473
	<b>SUB TOTAL (C)</b>	<b>2,192,696,473</b>	<b>2,021,994,892</b>	<b>1,421,999,135</b>	<b>-</b>	<b>1,592,700,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,592,700,716</b>	<b>2,192,696,473</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>715,171,553</b>	<b>1,477,524,920</b>	<b>-</b>	<b>-</b>	<b>2,192,696,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,192,696,473</b>	<b>715,171,553</b>
IV	<b>Intangible Assets Under Development</b>	-	-	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total [A + B + C + D] (Current Year)</b>	<b>3,762,321,147</b>	<b>538,264,387</b>	<b>1,421,999,135</b>	<b>15,218,629</b>	<b>4,630,837,265</b>	<b>381,072,884</b>	<b>125,305,004</b>	<b>10,614,446</b>	<b>495,763,442</b>	<b>4,135,073,823</b>	<b>3,381,248,262</b>
	<b>(Previous Year)</b>	<b>1,819,887,038</b>	<b>1,948,468,082</b>	<b>-</b>	<b>6,033,972</b>	<b>3,762,321,147</b>	<b>293,721,954</b>	<b>93,009,846</b>	<b>5,658,916</b>	<b>381,072,885</b>	<b>3,381,248,262</b>	<b>1,526,165,084</b>



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>NOTE NO. 10</b>		
<b><u>NON CURRENT INVESTMENTS</u></b>		
<b>I <u>Trade Investments ( Long Term )</u></b>		
Investment in Equity Instruments (Unquoted- Fully Paid Up )	-	-
<b><u>Long term Investment at cost</u></b>	2,500	2,500
Unquoted --- Other than Trade <b>250 Equity Shares of Rs 10/-</b> in Shivalik Solid Waste Management Ltd.		
<b><u>Quoted Investments - Other than Trade</u></b>	200,000	200,000
BARODA PIONEER PSU EQUITY FUND (20,000 units of Rs. 10 each)		
Sub Total I	<u>202,500</u>	<u>202,500</u>
<b>II <u>Other Investments ( Long Term )</u></b>		
a Investment in Equity Instruments (Unquoted- Fully Paid Up )	-	-
Sub Total II	<u>-</u>	<u>-</u>
<b>Total Long Term Investments ( I+II)</b>	<u>202,500</u>	<u>202,500</u>
Aggregate Amount of Quoted Investments	200,000	200,000
Market Value of Quoted Investments	146,600	163,600
Aggregate Amount of Unquoted Investments	2,500	2,500
Aggregate Provision for diminution in Value of Investments *	-	-
Note : All investments are valued at cost. * Nil as they are not of Permanent Nature		
<b>NOTE NO. 11</b>		
<b><u>LONG TERM LOANS &amp; ADVANCES</u></b>		
(Unsecured and Considered Good)		
<b>a <u>Security Deposits</u></b>		
Earnest Money Deposit	-	-
Other Deposit	20,796,064	11,997,404
<b>b <u>Loans and Advances to related parties</u></b>	-	-
<b>Total</b>	<u>20,796,064</u>	<u>11,997,404</u>
<b>NOTE NO. 12</b>		
<b><u>INVENTORIES</u></b>		
(As taken, valued and certified by the management)		
a Raw Materials	42,743,345	156,665,758
b Work in Progress	43,223,555	18,747,296
c Finished Goods	103,912,787	320,141,081
d Stock In Trade	111,093,214	-
e Store & Spares	21,977,075	11,912,601
f Other (Scrap/Waste)	6,783,109	16,116,126
<b>Total</b>	<u>329,733,086</u>	<u>523,582,862</u>
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.		



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>NOTE NO. 13</b>		
<b><u>TRADE RECEIVABLES</u></b>		
(Unsecured and Considered Good)		
a Outstanding for a period exceeding six months from the date they are due for payment	59,866,489	36,570,279
b Outstanding for a period not exceeding six months from the date they are due for payment	1,799,327,618	306,095,893
<b>Total</b>	<b><u>1,859,194,107</u></b>	<b><u>342,666,172</u></b>
<b>NOTE NO. 14</b>		
<b><u>CASH AND CASH EQUIVALENTS</u></b>		
a Balance with Banks	15,925,745	173,644,043
b Cash in Hand	13,164,380	5,949,127
c Fixed Deposit with banks	-	-
d Balance with foreign Banks (Euram Bank)	-	1,361,825,000
e Fixed Deposit as Margin money	34,648,775	84,975,845
<b>Total</b>	<b><u>63,738,900</u></b>	<b><u>1,626,394,015</u></b>
<b>NOTE NO. 15</b>		
<b><u>SHORT -TERM LOANS AND ADVANCES</u></b>		
(Unsecured and Considered Good)		
a <b>Loans and advances to related parties (Short Term)</b>		
b <b>Others</b>		
Advances recoverable in cash or in kind or for value to be received		
i) Advance to Suppliers	101,013,590	35,730,267
ii) Advance Income Tax - Net of Provision	433,562	5,040,429
iii) Excise & Service Tax Balance	84,047,100	102,268,104
iv) Other Advances	689,085,636	347,832,885
<b>Total</b>	<b><u>874,579,887</u></b>	<b><u>490,871,685</u></b>
<u>Loans and advances include the amounts due from</u>		
Directors-Either severally or jointly	-	-
Other officers of the Company-either severally or jointly	-	-
Firm in which director is a partner	-	-
Private company in which directors is a member	-	-





# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>NOTE NO. 16</b>		
<b>REVENUE FROM OPERATIONS</b>		
a Sale of Products - Inclusive of Excise Duty	4,471,220,688	2,692,410,764
b Sale of Services	-	-
c Other Operating Revenue (Sale of DEPB)	5,139,996	-
Total Revenue	<u>4,476,360,684</u>	<u>2,692,410,764</u>
Less: Excise Duty	215,721	2,393,292
<b>Total</b>	<u><u>4,476,144,963</u></u>	<u><u>2,690,017,472</u></u>
<b>NOTE NO. 17</b>		
<b>OTHER INCOME</b>		
Interest Income	44,505,329	28,346,494
Foreign Exchange Fluctuation	172,643,412	1,136,250
Foreign Exchange Fluctuation (Export)	3,709,233	934,223
Profit on sale of fixed assets	1,275,076	917,244
Misc income	407,721	1,153,089
<b>Total</b>	<u><u>222,540,771</u></u>	<u><u>32,487,300</u></u>
<b>NOTE NO. 18</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw Materials.... I	156,665,758	100,911,883
Purchase of Raw Materials.... II	2,584,928,323	1,752,604,134
Closing Stock Raw Materials.....III	42,743,345	156,665,758
Cost of Raw Material Consumed ( I+II-III )	<u><u>2,698,850,736</u></u>	<u><u>1,696,850,259</u></u>
<b>NOTE NO. 19</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Purchases	1,388,588,090	660,454,497
<b>Total Purchase</b>	<u><u>1,388,588,090</u></u>	<u><u>660,454,497</u></u>
<b>NOTE NO. 20</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>WORK-IN-PROGRESS &amp; STOCK IN TRADE</b>		
Opening Stock of Finished Goods	320,141,081	39,205,762
Opening Stock of Work-in-Progress	18,747,296	20,992,246
Opening Stock of Stock-in-Trade	-	-
Opening Stock of Waste	16,116,126	8,308,750
Sub Total A	<u>355,004,504</u>	<u>68,506,758</u>
Closing Stock of Finished Goods	103,912,785	320,141,081
Closing Stock of Work-in-Progress	43,223,555	18,747,296
Closing Stock of Stock-in-Trade	111,093,214	-
Closing Stock of Waste	6,783,109	16,116,126
Sub Total B	<u>265,012,664</u>	<u>355,004,504</u>
<b>TOTAL ( A-B )</b>	<u><u>89,991,840</u></u>	<u><u>(286,497,746)</u></u>



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	31.03.2012	(Amount in Rs.) 31.03.2011
<b>NOTE NO. 21</b>		
<b><u>EMPLOYEE BENEFIT EXPENSE</u></b>		
Salary, Wages & Bonus	95,051,428	68,974,987
Contribution to Provident & other Funds	8,660,607	9,093,691
Employee Welfare	3,030,192	3,771,513
Recruitment Expenses	151,079	231,965
Director Remuneration	5,700,000	5,350,000
Notice Pay	433,537	46,715
Other Personnel Exps	290,987	-
<b>Balance</b>	<b>113,317,830</b>	<b>87,468,871</b>
<b>NOTE NO. 22</b>		
<b><u>FINANCE COSTS</u></b>		
Interest on Bank Borrowings	221,365,136	99,110,018
Interest on Purchase	5,228,955	4,099,199
Bank Charges	5,646,095	4,808,406
Interest on Unsecured Loans	259,660	-
Interest on F.D.Rs	127,500	-
<b>Total</b>	<b>232,627,347</b>	<b>108,017,623</b>
<b>NOTE NO. 23</b>		
<b><u>DEPRECIATION AND AMORTIZATION EXPENSE</u></b>		
Depreciation	125,255,508	92,909,503
Preliminary Expenses Written Off	147,840	147,840
<b>Total</b>	<b>125,403,348</b>	<b>93,057,343</b>
<b>NOTE NO. 24</b>		
<b><u>OTHER EXPENSES</u></b>		
<b><u>Manufacturing Expenses</u></b>		
Power & Fuels	137,873,183	137,239,310
Packing Materials Consumed	14,783,344	26,479,387
Building Repair & Maintenance	931,393	1,023,038
Machinery Repair & Maintenance	21,108,152	17,472,496
Electric Repair & Maintenance	2,750,289	3,078,166
Hank Yarn Obligation	136,172	-
Production Expenses	2,092,797	3,148,061
Rent - Air compressor	29,888	-
Sub Total I	<b>179,705,217</b>	<b>188,440,458</b>
<b><u>Selling &amp; Distribution Expenses</u></b>		
Advertisement	630,848	490,179
Clg & Forwarding chgs	-	-
Sales Commision	639,957	3,387,575
Export Expenses	2,807,522	4,208,173
Freight & Octroi Outward	296,846	222,763
Commission on export	5,756,118	1,383,528
Freight & Cartage	-	6,810
Sales Promotion	203,261	-
Rebate & Discount	-	1,480,112
Sub Total II	<b>10,334,552</b>	<b>11,179,140</b>



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

PARTICULARS	(Amount in Rs.)	
	31.03.2012	31.03.2011
<b>AUDITOR'S EXPENSE</b>		
<u>Auditor's Remuneration</u>		
Audit Fee	470,109	286,780
For Tax Audit	82,695	66,181
Reimbursement of out of Pocket Exps.	11,155	14,598
<b>TOTAL</b>	<b>563,959</b>	<b>367,559</b>
<b>OTHERS</b>		
Vehicle Repair & Maintenance	698,440	699,187
Car Repair & Maintenance	1,214,920	1,251,634
Scooter Repair & Maint	31,737	28,713
Travelling Expenses	3,375,221	3,291,304
Wind Mill Expenses	3,066	50,613
Telephone Expenses	1,730,110	1,479,073
Internet Expenses	387,399	341,269
Loading & Unloading Charges	1,409,129	2,493,034
Printing & Stationery	713,222	650,650
Postage & Telegram	272,331	158,212
Local Conveyance	417,699	246,989
Legal & Professional Charges	2,178,883	1,183,803
ERP Implementation Charges	846,298	703,829
Meeting Expenses	11,918	787,938
Lease Rent	144,000	216,000
Rent Worker Colony (U-II)	348,595	206,468
Rent	1,216,164	-
Insurance	2,212,137	817,793
Godown Rent	60,000	60,000
Annual Maint Chgs/ Wind Mill AMC	1,438,283	1,331,913
Revenue Stamps	2,550	2,190
Horticultural Expenses	8,970	7,112
General Expenses	371,336	197,599
Festival Expenses	787,546	231,822
Fees & Taxes/ Subscriptions	2,359,128	1,405,647
Entertainment Expenses	449,667	264,081
Director Travelling Expenses	5,228,026	3,499,297
Charity & Donation	51,000	1,107,400
Computer Repair & Maintenance	83,936	142,208
Training Expenses	-	10,966
Books & Periodicals	7,551	11,054
Service Tax	117,561	590,566
Share Trf & Listing Fees	216,394	209,075
Short & Excess	(46,713)	869
Late cut on TED Refund	25,436	-
Interest on TDS/TCS	6,297	-
Guest House Exps.	254,293	-
Sub Total III	<b>29,196,489</b>	<b>24,045,867</b>
<b>TOTAL OF OTHER EXPENSES</b>	<b>219,236,258</b>	<b>223,665,465</b>

### NOTE NO. 25

#### EARNINGS PER SHARE

i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(171,801,132)	109,760,625
ii) Weighted Average number of equity shares used as denominator for calculating EPS	45,003,140	40,003,140
iii) Basic Earnings per share	(3.82)	2.74
iv) Diluted Earnings per share	(3.82)	2.74
iv) Face Value per equity share	10.00	10.00



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(Amount in Rs.)

PARTICULARS	31.03.2012	31.03.2011
<b>NOTE NO. 26</b>		
<b>VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS</b>		
Raw Material	117,312,867	53,713,000
Components and Spare Parts	3,412,578	310,000
Capital Goods	459,072,180	816,970,000
<b>Total</b>	<b>579,797,625</b>	<b>870,993,000</b>
<b>NOTE NO. 27</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY</b>		
Foreign Travelling Expenses	4,270,393	2,179,000
Interest on FCNRB Loans	15,499,873	19,732,455
GDR Issue/Maintenance Exp	176,450	58,246,000
<b>Total</b>	<b>19,946,716</b>	<b>80,157,455</b>
<b>NOTE NO. 28</b>		
<b>CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS &amp; COMPONENTS</b>		
Indigenous	1,376,509,584	1,730,813,000
% of Total Consumption	97	100
Imported	37,705,426	310,000
% of Total Consumption	3	0
<b>Total</b>	<b>1,414,215,010</b>	<b>1,731,123,000</b>
<b>NOTE NO. 29</b>		
<b>EARNING IN FOREIGN EXCHANGE</b>		
Export of Goods- F.O.B. Basis	78,935,785	93,717,223
Interest and Dividend	1,544,661	11,661,517
<b>Total</b>	<b>80,480,446</b>	<b>105,378,740</b>
<b>NOTE NO. 30</b>		
<b>RELATED PARTY DISCLOSURES</b>		
As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:		
I) <b>List of related parties where control exists and related parties with whom transactions have taken place:</b>		
<b>S.No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Jindal Cycles Private Limited	} Enterprises over which KMP or their relatives are able to exercise significant influence or control.
2	Jindal Fine Industries	
3	Leader Cycles Ltd.*	
4	Jindal Infomedia Pvt. Ltd.*	
5	Jindal Holdings & Investment Ltd.*	
6	Mr. Sandeep Jindal	} Key Managerial Personnel
7	Mr. Yash Paul Jindal	
8	Mr. Ramesh Jindal	
9	Mr. Rajinder Jindal	
10	Mr. Aman Jindal	
11	Mr. Sahil Jindal	
12	Mrs. Manu Jindal	

\* No Transactions have taken place during the year.

II) **Transactions during the year with related parties:** (Amount in Rs.)

S.No.	Nature of Transactions	Enterprises over which KMP or their relatives are able to exercise significant influence or control.	Key Management Personnel	Others	Total
1	Rent Paid	144,000	144,000	-	288,000
	( Prev. Yr.)	132,000	144,000	-	276,000
2	Interest received	-	-	-	-
	( Prev. Yr.)	-	-	-	-
3	Remuneration	-	5,700,000	423,500	6,123,500
	( Prev. Yr.)	-	5,350,000	423,500	5,773,500



# Annual Report 2011-12

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### NOTE NO. 31

The Company has taken Godown on Lease from M/s Jindal Cycles Pvt. Ltd. The company recognises the expense on due basis. The classification of Future Lease obligations towards Lease Rentals is as follows:-

	Current Year	Previous Year
- not later than one year	120,000	120,000
-later than one year and not later than five years	320,000	380,000
-later than five years	282,500	342,500
	722,500	842,500

### NOTE NO. 32

Actuarial assumptions

	Gratuity (Unfunded)	
	2011-12 1994-96 (Ultimate)	2010-11 1994-96 (Ultimate)
Mortality Table (LIC)	8%	8%
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	7%	7%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

### NOTE NO. 33

Segment information for the year ended 31<sup>st</sup> March, 2012

#### (a) Information about Primary Business Segments

(Amount in Rs.)

	Textile		Wind Mill		Iron		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>Revenue:</b>								
External (Net of Excise)	3,039,798,285	2,684,819,879	5,560,312	5,197,593	1,430,786,366	-	4,476,144,963	2,690,017,472
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	3,039,798,285	2,684,819,879	5,560,312	5,197,593	1,430,786,366	-	4,476,144,963	2,690,017,472
<b>Result:</b>								
Segment Result	(180,194,697)	148,688,460	(3,640,248)	(3,850,000)	20,205,230	-	(163,629,714)	144,838,460
Unallocated Expenditure							5,700,000	5,350,000
Profit before Tax							(169,329,714)	139,488,460
Provision for Tax/Adjustment of tax for Earlier Years							2,471,418	29,727,835
Profit After Tax							(171,801,132)	109,760,625

	Textile		Wind Mill		Iron		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Assets	5,632,927,350	6,321,436,340	51,852,565	55,324,061	1,598,335,952	-	7,283,115,867	6,376,760,401
Segment Liabilities	2,866,013,127	3,352,093,029	29,121,643	32,672,000	1,563,622,562	-	4,458,757,332	3,384,765,029
Capital Expenditure	1,191,686,153	470,943,000	-	-	225,783	-	1,191,460,370	470,943,000
Depreciation	121,927,215	89,585,847	3,471,496	3,471,496	4,637	-	125,403,348	93,057,343

#### (b) Information about Secondary Geographical Segments

Revenue by geographical market

	India	Asia (other than India)	America North & South	Europe	Africa	Total
External	4,396,217,043	4,426,141	2,976,903	6,505,815	66,234,782	4,476,360,684
Prev Year	2,598,008,379	57,337,963	20,309,392	4,130,004	12,625,026	2,692,410,764
Inter-segment	-	-	-	-	-	-
Total	4,396,217,043	4,426,141	2,976,903	6,505,815	66,234,782	4,476,360,684
Total Prev Year	2,598,008,379	57,337,963	20,309,392	4,130,004	12,625,026	2,692,410,764



# Jindal Cotex Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### (c) Notes:-

- (i) Management has identified three 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.
  - Iron: - Trading of Iron
- 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.
  - 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.

### **NOTE NO. 34**

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.

### **NOTE NO. 35**

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

### **NOTE NO. 36**

All figures have been rounded off to nearest rupees.

### **NOTE NO. 37**

Figures in brackets indicate deductions.

### **NOTE NO. 38**

#### **CONTINGENT LIABILITIES AND COMMITMENTS**

( To the extent not provided for)

#### a Contingent Liabilities

i) Claims against company not Acknowledged as Debt	-	-
ii) Other Money for which the Company is Contingently liable	-	-
iii) Duty saved upon procurement of machinery pending fulfillment of export obligation	319,075,061	338,929,000
iv) 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.	41,729,000	41,729,000
v) Demand raised by sales tax authorities and the same is disputed by the company.	13,414,000	13,414,000
vi) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Subsidiaries	4,430,000,000	1,627,500,000
vii) Letter of credit established for purchase of capital goods/Supplies and due in the next year	-	452,098,000
viii) BG Executed in favour of DGFT Ludhiana/Custom Authorities for fulfilment of export obligation	36,608,000	30,296,000

#### b Commitments

i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	1,320,067,607	1,645,646,000
--	---------------	---------------

#### **Total**

6,160,893,668	4,149,612,000
---------------	---------------

### **NOTE NO. 39**

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 1<sup>st</sup> 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.

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

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
WholeTime Director

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

PLACE : LUDHIANA  
DATE : 30.05.2012

(Anoop Kumar)  
A.G.M.-Accounts

(Pranav Jain)  
Manager-Accounts

(Anil Malhan)  
Company Secretary

(PAWAN KUMAR GARG)  
PARTNER  
M.No. 083139



# Annual Report 2011-12

## 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 Metalex Limited	Jindal Infrabiz Limited	Jindal International FZE
2.	Financial Year of the Subsidiary Companies ended on	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012
3.	Number of shares held & Face Value	38,00,000 equity shares of Rs. 10/- each	49,50,000 equity shares of Rs. 10/- each	2,56,000 equity shares of Rs. 10/- each	50,000 equity shares of Rs. 10/- each	50,000 equity shares of Rs. 10/- each	One equity share of AED 10,00,000/-
4.	Extent of Holding	(100%)	(100%)	(98.44%)	(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	(189,10,080.00)	(69,25,253.00)	--	--	--	20205230.00
	ii) For previous financial years of subsidiary since it became subsidiary of Jindal Cotex Limited	8,83,194.00	43,62,105.00	--	--	--	--
	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 Metalex Limited	Jindal Infrabiz Limited	Jindal International FZE
1.	Capital	380.00	495.00	25.60	5.00	5.00	126.28
2.	Reserves	2456.28	4613.21	0.00	0.00	0.00	220.85
3.	Total Assets	13550.73	18232.58	3301.87	10.55	7.15	15983.35
4.	Total Liabilities	13550.73	18232.58	3301.87	10.55	7.15	15983.35
5.	Details of Investments (Except in case of investment in subsidiaries)	0.00	0.00	0.03	0.00	0.00	0.00
6.	Turnover	4602.91	1312.06	0.00	0.00	0.00	14307.86
7.	Profit/(Loss) before taxation	(189.10)	(69.25)	0.00	0.00	0.00	202.05
8.	Provision for Taxation	0.00	0.00	0.00	0.00	0.00	0.00
9.	Profit/(Loss) after taxation	(189.10)	(69.25)	0.00	0.00	0.00	202.05
10.	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00

PLACE : LUDHIANA  
DATE : 30<sup>th</sup> May, 2012

(Sandeep Jindal)  
Chairman & Managing Director

(Yash Paul Jindal)  
Wholetime Director

(Anoop Kumar)  
A.G.M.-Accounts

(Anil Malhan)  
Company Secretary

if undelivered, please return to :

**Bigshare Services Private Limited**  
**(Unit : Jindal Cotex Limited)**

E/2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka,  
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