



# Jindal Cotex Limited

**Annual Report  
2013-14**



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## BOARD OF DIRECTORS

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

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 Raj Gupta & Co.,  
Chartered Accountants,  
549/1, Sutlej Tower,  
Near Fountain Chowk,  
Civil Lines, Ludhiana - 141 001

### **REGISTERED & CORPORATE OFFICE AND WORKS**

VPO Jugiana, G.T. Road,  
Ludhiana-141 420  
CIN No. L17115PB1988PLC021084  
Phones: (0161) 2511840 - 42  
Fax: (0161) 2511843  
Email: [cs@jindalcotex.com](mailto:cs@jindalcotex.com)  
Website: [www.jindalcotex.com](http://www.jindalcotex.com)

### **WIND MILL**

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

### **UNITS**

Bija, Tehsil Khana,  
Unit - II, Village Mandiala Kalan,  
Dist. 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



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

### Business Review & Outlook

The growth in global economy during the year 2013-14 remained affected due to impact of high crude oil prices and other commodity prices. Indian GDP growth decline due to worst performance in all the sectors, specially in the manufacturing sector.

The outlook of the Textile Industry is appearing good as we expect that the textile export target for the current financial year is going to be hiked by the Indian Government, therefore, expecting major support to the textile Industries. Further, we hope that inflation will come down, 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 4% 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 17% 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.

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

#### Product wise performance

Particulars	Year ended March 31, 2014			Year ended March 31, 2013		
	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	40958	6374.36	24.12	1876	4043.64	13.63
Polyester Yarn	163.88	224.94	0.85	315	509.60	1.72
Blended Yarns	1816.86	3260.61	12.34	1690	2815.10	9.49
100% Cotton Yarn	5544.93	11828.08	44.76	4542	7720.67	26.03
Knitted Cloth	1026.91	4376.97	16.57	2891	13049.10	43.99
Fibre and others	1994.06	309.76	1.17	524	1478.64	4.99
<b>Total (A)</b>	<b>51504.64</b>	<b>26374.72</b>	<b>99.81</b>	<b>11838</b>	<b>29616.75</b>	<b>99.85</b>
<b>Wind Mill</b>						
Elect. Sales	-	50.43	0.19	1221	44.59	0.15
<b>Total (B)</b>	<b>-</b>	<b>50.43</b>	<b>0.19</b>	<b>1221</b>	<b>44.59</b>	<b>0.15</b>
<b>Total (A+B)</b>	<b>51504.64</b>	<b>26425.15</b>	<b>100</b>	<b>13059</b>	<b>29661.34</b>	<b>100</b>

### Financial Analysis

#### ➤ Revenue Break – up: (Rs. In lacs)

Particulars	2013-14	%	2012-13	%
Sales	26425.15	99.53	29661.34	92.47
Other Income	125.12	0.47	2415.89	7.53
<b>Total Income</b>	<b>26550.27</b>	<b>100</b>	<b>32077.23</b>	<b>100</b>

The net turnover has been increased to Rs. 26425.15 lacs in the year 2013 – 14 as against Rs. 29661.34 lacs in the year 2012 – 13, showing thereby an increase of 10.91%.

#### ➤ Profitability/Losses (Rs. in lacs)

Particulars	2013-14	% of turnover	2012-13	% of turnover
Profit/losses before depreciation, interest and tax	820.38	3.10	4046.94	13.64
Interest	2655.91	10.05	2489.55	8.39
Profit/losses before Depreciation	1557.39	5.89	1557.39	5.25
Depreciation	616.79	2.33	1116.26	3.76
Profit/losses before tax	(2452.32)	(9.28)	441.13	1.49
Tax	4.84	-	-	-
Profit/losses after Tax	(2457.16)	(9.30)	441.13	1.49

Depreciation on fixed assets is 2.33% of total sales during the current year and 3.76% in the previous



year. Interest/Financial expenses increased from Rs. 2489.55 lacs for Financial Year 2012-13 to Rs. 2655.91 lacs for Financial Year 2013-14. Increase in interest cost due to increase in the working capital loans and interest rates on bank borrowings. There is no term loan availed for the expansion project. No dividend has been proposed by the company during the year.

## Resource Utilization

### a) Fixed Assets

The gross fixed assets as at 31st March, 2014 are Rs. 15667.85 lacs as compared to Rs. 15649.31 lacs in the previous year. The net fixed assets (including work – in – progress & capital advances) as on 31st March, 2014 are Rs.13557.79 lacs as compared to Rs. 14270.05 lacs in the previous year.

### b) Investments

The Company has made investments in its subsidiaries to the tune of Rs. 8280.39 lacs by way of equity capital.

### c) Current Assets

Sundry debtors of the Company are Rs. 6681.83 lacs in the year 2013-14 as against Rs. 7947.99 lacs in the previous year. Inventory level is at Rs. 1351.19 lacs in the year 2013-14 as against Rs. 1894.69 lacs in the previous year. Cash and cash equivalents decreased from Rs. 339.88 lacs in the year 2012-13 to Rs. 270.32 lacs in the year 2013-14.

## Risk and Concerns

Government policies are critical to the success of the Textile Industry. Increase in price of raw materials has become hindrance in the long term sustainability of the textile industry and which need to be regularly addressed.

Another issue is depreciation of Indian rupee against US dollar, which has serious impact on textile industry.

The availability of good quality power at reasonable prices is another critical issue for sustainability of the textile industry. 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.

We are making all efforts to cope up with all the challenges through continuous process of cost reduction and with continued focus on delivering quality products to our customers as committed.

## 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 774 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 17<sup>th</sup> Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March, 2014.

### 1. Financial Results & Performance Review

(Rs. In Lacs)

Particulars	2013-14	2012-13
Turnover & Other Income	26550.27	32077.23
Profit Before Depreciation, Interest, & Tax (PBDIT)	820.38	4046.94
Interest and Financial Expenses	2655.91	2489.55
Profit Before Depreciation & Tax (PBDT)	(1835.53)	1557.39
Depreciation	616.79	1116.26
Profit Before Tax (PBT)	(2452.32)	441.13
Less- Provision for Tax (Including Deferred Tax)	4.84	--
Profit for the year (PAT)	(2457.16)	441.13
Add – Surplus brought forward From previous Year	--	--
Profit available for Appropriations	(2457.16)	441.13
Appropriations		
Proposed Dividend	--	--
Bonus Shares Issued	--	--
Surplus Carried to Balance Sheet	(2457.16)	441.13

During the year under review, your company achieved total revenue of Rs. 265.50 Crores as against Rs. 320.77 Crores in the previous year. The company has PAT of Rs. (24.57 Crores) as against PAT of Rs. 4.41 Crores in the previous year. The company has incurred loss due to adverse market conditions like, lack of demand by consumers, high inflation rate, steep competition in profit margin of products, increase in cost of production due to high wages and electricity rate etc.

### 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. 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 and achieved revenue from operations and trading sales of Rs. 49.96 Crores as on 31<sup>st</sup> March, 2014.

#### JINDAL SPECIALTY TEXTILES LTD.

This 100% subsidiary of our company manufacturing products like frontlit banner, fabric, general tarpauling, truck sidlers 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 production and achieved revenue from operations and trading sales of Rs.35.27 Crores as on 31<sup>st</sup> March, 2014.

#### 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.

#### 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% 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.

### 6. Directors

Pursuant to Section 152 of the Companies Act, 2013 and Articles of Association of the company, Sh. Rajinder Jindal and Sh. Ramesh Jindal, Executive Directors of the company, retire by rotation at the ensuing annual general meeting and are being eligible, offer themselves for re-appointment.



## 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:-

- a) In the preparation of Annual Accounts the applicable Accounting Standards have been followed and that there are no material departures;
- b) 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;
- c) 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;
- d) The Annual Accounts have been prepared on 'going concern basis'.

## 9. Auditors

M/s Raj Gupta & Co., Chartered Accountants, who are Statutory Auditors of the Company, hold office upto the forthcoming Annual General Meeting and are recommended for re-appointment to audits the accounts of the company for the financial year 2014-15. M/s Raj Gupta & Co., have provided necessary certificate under section 139(1) read with section 141 of the Companies Act, 2013.

## 10. Cost Audit

As per the requirement of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the cost accountants relating to the product 'Textiles' is required to be carried out every year. The company has appointed Cost Auditors viz, M/s. S. K. Sharawat & Associates, Cost Accountants, House No. 109, Near Sharawat Dairy, VPO- Singhu, Delhi to audit the cost accounts for the financial year 2013-14. The Cost Audit Report for the year ended 31<sup>st</sup> March, 2014 will be submitted with Ministry of Corporate Affairs, Government of India.

## 11. Corporate Debt Restructuring

During the year under review, your company was facing financial stress, due to slow down in the economy, the

company applied to CDR cell for debt restructuring through Oriental Bank of Commerce (Lead Bank), Ludhiana. The CDR cell has approved the debt restructuring of the company and CDR package has been implemented with cut off date 1<sup>st</sup> April, 2013.

## 12. 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.

## 13. Fixed Deposits

Your company had accepted fixed deposits from public under section 58A, after complying all the provisions of the Companies Act, 1956. During the year under review, the company was facing with liquidity crunch, due to which the company made an petition before the Hon'ble Company Law Board, New Delhi Bench under section 58A(9) and section 58AA of the Companies Act, 1956, for extension of time for repayment of Deposit. The Hon'ble Company Law Board, on 9<sup>th</sup> January, 2014 passed the order allowed the company for extension of time for repayment of deposits.

## 14. 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.

## 15. 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.

## 16. 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**

**Date: 14th August, 2014  
Place: Ludhiana**

**(Sandeep Jindal)  
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, 2014:-

### I. CONSERVATION OF ENERGY

#### FORM A

PARTICULARS		UNIT	2013-14	2012-13
<b>A</b>	<b>POWER &amp; FUEL CONSUMPTION</b>			
	a) Electricity purchased			
	Units	KWH in lacs	309.22	208.00
	Amount	Rs. In lacs	2339.50	1259.22
	Rate per unit	Rs. Per unit	7.57	5.94
	b) Own generation			
	Through Diesel Generator	KWH In lacs	2.38	2.88
	Units per litre	Units	6.43	3.22
	Cost of Diesel/LDO	Rs. In lacs	36.82	37.47
	Rate per unit	Rs. Per unit	15.47	13.01
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>			
	Synthetic and Cotton Yarn	KWH/Kg	4.33	2.41

### 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)

- 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.
- 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.
- Future Plan of Action
  - Increase in Productivity
  - Reduction in operational costs
- Expenditure on R&D : Nil

#### B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

- 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.
- Particulars of technology imported in the last five years
  - Technology Imported Nil
  - Year of Import N.A.
  - Has the technology been fully absorbed N.A.

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In lacs)

S. No.	PARTICULARS	2013-14	2012-13
A)	Foreign Exchange Earning		
	FOB Value of Exports	2630.63	1049.53
	Interest and Dividend	--	1410.21
B)	Foreign Exchange Outgo		
	Raw Material	--	91.49
	Capital Goods and Advances	--	4.07
	Stores & Spares	34.17	19.23
	Foreign Travelling Expenses	1.30	0.00
	Interest on Foreign currency loans	--	139.69





## 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 eleven Directors on its Board with an Executive Chairman. The number of Non-Executive Directors is five 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.

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 12 (Twelve) times on 30.05.2013, 29.06.2013, 07.07.2013, 14.08.2013, 27.08.2013, 07.10.2013, 04.11.2013, 14.11.2013, 26.12.2013, 31.12.2013, 14.02.2014 and 31.03.2014.

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	Managing Director	Promoter, Executive	12	Yes	7	Nil
Sh. Yash Paul Jindal	Whole time Director	Promoter, Executive	12	Yes	6	Nil
Sh. Ramesh Jindal	Whole time Director	Promoter, Executive	12	Yes	7	Nil
Sh. Rajinder Jindal	Whole time Director	Promoter, Executive	12	Yes	7	Nil
Sh. Aman Jindal	Whole time Director	Promoter, Executive	12	Yes	7	Nil
Sh. Sahil Jindal	Whole time Director	Promoter, Executive	12	Yes	7	Nil
Sh. Madan Lal Arora	Director	Non Executive, Independent	8	Yes	1	Nil
Sh. Nirmal Kumar Jain	Director	Non Executive, Independent	5	No	1	Nil
Sh. Satish Kumar Gupta	Director	Non Executive, Independent	8	No	Nil	Nil
Sh. Vinay Shrivastav	Director	Non Executive, Independent	5	No	Nil	Nil
Sh. Naresh Chand Bansal	Director	Non Executive, Independent	6	Yes	Nil	Nil
Sh. Rajesh Sharma*	Director	Non Executive, Independent	2	Yes	Nil	Nil

\*Ceased as Director w.e.f. 20<sup>th</sup> September, 2013

Note: 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, 2014 :-**

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	2529265	5.620
Sh. Sandeep Jindal	1089669	2.421
Sh. Ramesh Jindal	2747816	6.105
Sh. Rajinder Jindal	2637052	5.859
Sh. Aman Jindal	844050	1.875
Sh. Sahil Jindal	810000	1.799

\* None of other director holds any share in the equity share capital of the company, except Sh. Naresh Bansal holding 348 equity shares.

**3. Audit Committee**

The Audit Committee of the company comprises of the following members namely Sh. Satish Kumar Gupta, Chairman, Sh. Madan Lal Arora and Sh. Nirmal Kumar Jain. All members of audit committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal control etc. Sh. Satish Kumar Gupta, Chairman of the committee is a Chartered Accountant.

The terms of reference of the Audit Committee cover all matters as are specified in clause 49 of the listing agreement and Section 177 of the Companies Act, 2013. During the year 2013-14, the audit committee met on four occasions. The minutes of audit committee meetings are placed before the Board of Directors in the subsequent board meetings.

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

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

**4. Nomination and Remuneration Committee**

During the year under review, the name of Remuneration Committee has been changed to Nomination and

Remuneration Committee in compliance with the provisions of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of the following Directors namely Sh. Nirmal Kumar Jain, Sh. Vinay Shrivastav and Sh. Naresh Chand Bansal. Sh. Nirmal Kumar Jain is the Chairman of the Committee. During the year 2013-14, the Remuneration Committee met on two occasions.

The terms of reference of Nomination and Remuneration Committee include the followings:-

To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.

To carry out evaluation of every Director's performance.

To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel.

To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.

**5. Corporate Social Responsibility Committee**

During the year under review, the company has constituted Corporate Social Responsibility Committee in compliance with provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee comprises of the following Directors namely Sh. Sandeep Jindal, Sh. Rajinder Jindal, Sh. Ramesh Jindal Executive Directors and Sh. Satish Kumar Gupta, Independent Director of the company. The terms of reference of Corporate Social Responsibility Committee includes matters/activities as specified in Schedule VII of the Companies Act, 2013.

**6. Stakeholders Relationship Committee**

During the year under review, the name of Shareholders/ Investor's Grievance Committee has been changed to Stakeholders Relationship Committee in compliance with provisions of the Companies Act, 2013. The Stakeholders Relationship Committee comprises of the following Directors namely Sh. Madan Lal Arora, Sh. Nirmal Kumar Jain, Sh. Naresh Chand Bansal and Sh. Sandeep Jindal. Sh. Madan Lal Arora is the Chairman of the said Committee. Mr. Anil Kumar, Company Secretary is the compliance officer for this committee.

The Stakeholders Relationship Committee specifically looks into the redressal of shareholders/investor's complaints if any, on 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. Sandeep Jindal	Executive and Non Independent Director	4
Sh. Nirmal Kumar Jain	Non Executive and Independent Director	4
Sh. Naresh Chand Bansal	Non Executive and Independent Director	4

## 7. 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
30.09.2013 at 10.00 A.M.	2012-13	Regd. Office: V.P.O. Jugiana, G.T. Road, Ludhiana	1
29.09.2012 at 9.30 A.M.	2011-12		3
30.09.2011 at 10.00 A.M.	2010-11		2

The company has not passed any resolution through postal ballot during the previous year. The special resolutions requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

## 8. 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 31.03.2014. There were no material transactions during the year 2013-14 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 2013-14.

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

## e. 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.

## 9. 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.

## 10. 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' 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).



## 11. General Shareholders information:

### a. 17<sup>th</sup> Annual General Meeting

Date : Tuesday , 30<sup>th</sup> September, 2014  
 Time : 10.00 A.M.  
 Place : V.P.O. Jugiana, G.T. Road, Ludhiana

b. Financial Year : April 1 to March 31

c. Listed on stock Exchanges : BSE Limited  
 Phiroze Jee Jee Bhoy Towers,  
 Dalal Street,  
 Mumbai – 400 001  
 National Stock Exchange of India Limited  
 Exchange Plaza,  
 Bandra Kurla Complex,  
 Bandra (East), Mumbai – 400 051

(Listing fee for the year 2014 – 15 has not 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 from vis – a – vis BSE Sensex during the year from April, 2013 to March, 2014 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, 2013	19.45	14.02	15.53	5.29	19622.68	18144.22	19504.18	3.55
May, 2013	15.85	10.40	10.50	-32.39	20443.62	19451.26	19760.30	1.31
June, 2013	10.29	7.84	8.71	17.05	19860.19	18467.16	19395.81	-1.84
July, 2013	10.40	7.00	7.54	-13.43	20351.06	19126.82	19345.70	-0.26
August, 2013	8.65	7.04	7.70	2.12	19569.20	17448.71	18619.72	-3.75
September, 2013	13.30	7.66	11.46	48.83	20739.69	18166.47	19379.77	4.08
October, 2013	15.98	10.20	15.04	31.24	21205.44	19264.72	21164.52	9.21
November, 2013	18.85	12.90	15.95	6.05	21321.53	20137.67	20791.93	-1.76
December, 2013	18.10	14.50	15.70	-1.57	21483.74	20568.70	21170.68	1.82
January, 2014	16.40	11.15	15.25	-2.87	21409.66	20343.78	20513.85	-3.10
February, 2014	17.00	10.75	12.35	-19.02	21140.51	19963.12	21120.12	2.96
March, 2014	15.04	11.00	15.04	21.78	22467.21	20920.98	22386.27	5.99



**g. Share Transfer System:**

- The company has appointed M/s. Bigshare Services Private Limited, RTA, E/2 Ansa Industrial Estate, Saki Vihar Road, Sakinaka Andheri (E), Mumbai – 72 as the Registrar and transfer agent for the Equity shares of the Company to provide services in both physical and electronic mode.
- The Shareholders/Investor's Grievance 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.
- 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 31/03/2014:**

No. of Shares	No. of Shareholders	% to total Shareholders	No. of Shares held	% to total shares held
Upto 500	5704	79.653	808110	1.795
501-1000	647	9.035	527848	1.172
1001-2000	333	4.650	522275	1.160
2001-3000	131	1.829	334486	0.743
3001-4000	71	0.991	254825	0.566
4001-5000	45	0.628	212785	0.472
5001-10000	82	1.145	595512	1.323
Above 10000	148	2.067	41747299	92.765
Total	7161	100	45003140	100

**i. Shareholding Pattern as on 31/03/2014:**

Category	No. of Shares held	% to total paid up Share capital
Promoter and Promoter Group	12151204	27.00
Foreign Institutions Investors	13779800	30.62
Bodies Corporate	6154536	13.68
Clearing Member	186633	0.41
NRI	87311	0.19
GDRs	1580000	03.51
Public (Individual)	11063656	24.58
TOTAL	45003140	100

**j. Dematerialization of Shares and Liquidity:**

As on 31st March, 2014, 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 were listed on Luxembourg Stock Exchange. As on 31<sup>st</sup> March, 2014, GDRs 3,95,000 are still outstanding.

**l. Plant Locations:-**

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

**Plant Location of subsidiaries:-**

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

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

**m. Corporate and Registered Office:**

Jindal Cotex Limited  
V.P.O. Jugiana, G.T. Road,  
Ludhiana – 141420  
CIN No. L17115PB1988PLC021084  
Tel. No. 0161 – 2511840/41/42,  
Fax No. 0161- 2511843  
Email ID: cs@jindalcotex.com  
Website: www.jindalcotex.com

**n. Registrar and Transfer Agent:**

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

**o. Compliance Officer:**

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



## DECLARATION OF 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, 2014.

**Date: 14th August, 2014**

**Place: Ludhiana**

**(Sandeep Jindal)**

**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, 2014 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 RAJ GUPTA & CO.**  
**Chartered Accountants,**  
**Firm Regn. No. : 000203N**

**Date: 14.08.2014**  
**Place: Ludhiana**

**(Raj Gupta)**  
**Partner**  
**M. No. 017039**





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Jindal Cotex Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Jindal Cotex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013.
  - c. on the basis of written representations received from directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

**For Raj Gupta & Co**  
**Chartered Accountants**  
**FRN No : 000203N**

**Raj Kumar Gupta**  
**(Partner)**

**Membership No.: 017039**

**Place: Ludhiana**  
**Date: 30.05.2014**





## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements."

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) As explained to us, most of the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.  
c) The Company has not disposed off substantial part of its fixed assets during the year which might call into question the going concern assumption of the company.
- ii) a) According to information and explanations given to us, physical verification of inventories has been conducted at reasonable intervals by the management of the company.  
b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification were not material. However, the discrepancies noticed have been properly dealt with in the books of account.
- iii) a) The company has granted unsecured loans to three 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 17892.14 lacs (Prev. yr Rs.17708.34 lacs). The maximum amount outstanding during the year was Rs. 4999.46  
b) 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.  
c) The company has taken unsecured loans from 3 parties covered in the register maintained u/s 301 of the companies Act, 1956. The amount payable at the close of the year is Rs 1183.65 lacs (Prev yr Rs.1182.70). The maximum amount outstanding during the year was Rs.2025.95 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.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
b) In our opinion and having regard to our comments in paragraph above, the transactions exceeding the value of Rs. 5 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
- vi) The company has accepted deposits pursuant to the provisions of section 58-A of the Companies Act, 1956.  
The company has received/accepted the deposits from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company was not able to repay the deposits within the scheduled time period. The Company applied to the Company Law Board for the deferment of repayments of deposits. The Company Law Board vide its Order No. C.P. NO 25/2013-CLB Dt.23/12/2013 has deferred the repayments of deposits by one year. The repayment of Deposits will start from March, 2015. In case of genuine hardship, the company will repay Rs. 5 Lacs on quarterly basis.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) 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.



- ix) In respect of statutory dues:
- According to the information and explanations given to us, and as per the records of the company examined by us, we are of the opinion that, except for the cases pointed out in para below, 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 as applicable with the appropriate authorities.
  - TDS at Rs 58.64 Lacs, TCS at Rs. 4.91 Lacs, E.S.I at Rs. 32.86 Lacs, Provident Fund at Rs. 130.48 Lacs, Service Tax at Rs 4.36 Lacs, Sales tax at Rs. 61.53 Lacs, Wealth tax at Rs.1.5 Lacs were overdue for deposit as on as on 31.03.2014.
  - Out of the above TDS at Rs.29.40 Lacs, TCS at Rs. 4.23 Lacs, Service Tax at Rs 4.36 Lacs, Provident Fund at Rs. 107.08 Lacs and E.S.I at Rs. 20.03 Lacs were outstanding as on 31<sup>st</sup> March 2014 for a period of more than 6 months from the date they become payable.
  - According to the information & explanations given to us, and as per the records of the company examined by us, the company has no disputed statutory dues.
- x) The company has accumulated losses at the end of the year. The accumulated losses of the company are less than fifty percent of its net worth. The company has incurred cash loss during the financial year. It did not incur any cash loss in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us and the records of the company examined by us, the company has defaulted in repayment of dues to banks. The amount of default in repayment of term loan is Rs. 1750 Lacs. for a period ranging from three to six months. The Cash Credit accounts were overdue at the end of the year by Rs. 103.85 Lacs. for a period ranging from one to three months. Defaults in payment interest on term loans and the cash credit account is for Rs. 340.68 Lacs. for a period ranging from one to three months.
- The Company made request to Corporate Debt Restructuring Cell through Oriental Bank of Commerce (Lead Bank) to restructure the credit facilities. The Empowered Group of CDR-Cell has approved the restructuring package in CDR-Cell meetings held on 24/12/2013 vide order no. 857/2013-14 Dt. 27/12/2013.
- xii) As explained to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a Chit Fund or a nidhi, mutual benefit fund and Society. Therefore, the provisions of clause 4 (xiii) of the said order are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said order are not applicable to the company.
- xv) The Company has given Corporate guarantees of Rs 252.50 cr for loans taken by its subsidiaries from banks and financial institutions. In our opinion, based on the information and explanations given to us, the terms and conditions of the guarantees are not prima-facie prejudicial to the interests of the company.
- xvi) 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.
- xvii) 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.
- xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The company has not issued debentures during the year.
- xx) The company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the company, has been noticed or reported by the company during the year.

**For Raj Gupta & Co.**  
**Chartered Accountants**  
**FRN No : 000203N**

**Raj Kumar Gupta**  
**Partner**  
**M. No. 017039**

**Place: Ludhiana**  
**Dated: 30.05.2014**



# Jindal Cotex Limited

## BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	(Amount in Rs.)	
		31.03.2014	31.03.2013
<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	<u>2,170,713,927</u>	<u>2,416,429,740</u>
Sub Total		2,620,745,327	2,866,461,140
<b>2) Share Application Money pending allotment</b>		-	-
<b>3) Non-Current Liabilities</b>			
a) Long Term Borrowings	3	1,686,350,647	1,059,838,149
b) Deferred Tax Liabilities (Net)	4.1	-	-
c) Long Term Provisions	4.2	9,030,875	7,315,001
<b>4) Current Liabilities</b>			
a) Short term Borrowings	5	431,848,699	622,258,954
b) Trade Payables	6	33,911,654	353,691,192
c) Other Current Liabilities	7	66,655,994	272,048,608
d) Short term Provisions	8	<u>100,600,788</u>	<u>47,879,562</u>
<b>TOTAL</b>		<u><u>4,949,143,984</u></u>	<u><u>5,229,492,606</u></u>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>1) a) Fixed assets</b>	9		
i) Tangible Assets		913,832,884	973,638,766
ii) Intangible assets		74,434	93,483
iii) Capital Work in Progress		<u>441,871,865</u>	<u>453,272,943</u>
Sub Total		1,355,779,183	1,427,005,192
b) Non Current Investments	10	828,238,522	828,577,664
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and Advances	11	241,872,817	223,457,143
e) Other Non Current assets	12	339,143	-
Sub Total (a+b+c+d+e)		2,426,229,665	2,479,039,999
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	13	135,119,050	189,468,618
c) Trade receivables	14	668,183,291	794,798,606
d) Cash and Cash Equivalents	15	27,031,740	33,988,440
e) Short Term Loans and Advances	16	1,692,580,238	1,732,196,944
f) Other Current Assets		-	-
<b>TOTAL</b>		<u><u>4,949,143,984</u></u>	<u><u>5,229,492,606</u></u>

Significant Accounting Policies and Notes on Accounts 1 to 41

For and on behalf of the Board of Directors

As per our report of even date attached  
**For Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000203N

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
Whole Time Director

PLACE : LUDHIANA  
DATE : 30.05.2014

(ANOOP KUMAR)  
A.G.M.-Accounts

(ANIL MALHAN)  
Company Secretary

(Raj Gupta)  
Partner  
M. No.: 017039



# Annual Report 2013-14

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31 MARCH, 2014

		(Amount in Rs.)	
		31.03.2014	31.03.2013
PARTICULARS	NOTE NO.		
I. Revenue From Operations	17	2,642,515,129	2,966,134,565
II. Other Income	18	12,511,688	241,588,934
III. Total Revenue ( I+II )		<u>2,655,026,817</u>	<u>3,207,723,499</u>
IV. Expenses			
Cost of Materials Consumed	19	1,657,224,188	1,216,125,826
Purchase of Stock in Trade	20	500,038,238	1,107,432,706
Changes in Inventories of Finished goods work-in-progress and Stock-In-Trade	21	(28,054,679)	109,685,875
Employee Benefits Expenses	22	108,156,311	106,310,992
Finance Costs	23	265,591,393	248,955,386
Depreciation and Amortization Exps.	24	61,679,297	111,626,063
Other Expenses	25	335,624,191	263,473,638
Total Expenses		<u>2,900,258,939</u>	<u>3,163,610,486</u>
V. Profit/(loss) before exceptional and extraordinary items and tax (III-IV)		(245,232,122)	44,113,014
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(245,232,122)	44,113,014
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax (VII-VIII)		(245,232,122)	44,113,014
X. Tax Expense:			
1) Current Tax		483,690	-
2) Deferred Tax		-	-
Sub Total		<u>483,690</u>	<u>-</u>
XI. Profit/(Loss) for the period (IX - X)		(245,715,812)	44,113,014
XII. Earning per Equity Share:	26		
1) Basic - In Rs.		(5.46)	0.98
2) Diluted - In Rs.		(5.46)	0.98

Significant Accounting Policies and Notes on Accounts 1 to 41

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

As per our report of even date attached  
**For Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000203N

**(SANDEEP JINDAL)**  
Chairman & Managing Director

**(RAJINDER JINDAL)**  
Whole Time Director

PLACE : LUDHIANA  
DATE : 30.05.2014

**(ANOOP KUMAR)**  
A.G.M.-Accounts

**(ANIL MALHAN)**  
Company Secretary

**(Raj Gupta)**  
Partner  
M. No.: 017039



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(loss) before tax	(245,232,122)	44,113,014
Adjustment For: -		
Depreciation	61,679,297	111,626,063
Foreign Exchange Fluctuation Gain	(10,497)	(94,167,759)
Foreign Currency Translation Reserve	-	-
Interest Received	(5,583,231)	(147,421,175)
Interest Expense	265,591,393	248,955,386
Prior Period Tax Adjustments	(483,690)	-
<b>Operating Profit before working capital Changes</b>	<b>75,961,149</b>	<b>163,105,529</b>
Adjustment For		
- Decrease / ( Increase ) in Trade & Other Receivables	126,615,315	(525,967,042)
- Decrease / ( Increase ) in Loans and advances	39,616,706	115,654,127
- Decrease / ( Increase ) in Inventories	54,349,568	30,167,837
- (Decrease) /Increase in Trade and other Payables	(472,450,926)	57,427,864
<b>NET CASH FLOW FROM OPERATING ACTIVITES</b>	<b>(175,908,188)</b>	<b>(159,611,685)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,854,367)	(13,514,243)
Sale of Fixed Assets		2,284,014
Increase in Captial Advances	11,401,077	
Investment in Subsidiaries	-	-
Proceeds From Long Term Loan and Advances	(18,415,674)	(49,620,280)
Interest Received	5,583,231	147,421,175
<b>NET CASH FLOW FROM INVESTING ACTIVITES</b>	<b>(3,285,732)</b>	<b>86,570,666</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	623,181,997	417,114,061
Repayment of Short term borrowings	(190,410,255)	(219,914,025)
Foreign Exchange Flucation Gain	10,497	94,167,759
Interest Expense	(265,591,393)	(248,955,386)
Proceeds from Unsecured Loans	3,330,502	-
Proceeds from FD Scheme	-	51,068,000
Others Long Term liabilities	1,715,873	(23,651,065)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>172,237,220</b>	<b>69,829,344</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalent</b>	<b>(6,956,700)</b>	<b>(3,211,675)</b>
<b>Cash and Cash Equivalent at beginning of year</b>	<b>33,988,440</b>	<b>37,200,114</b>
<b>Cash and Cash Equivalent at the end of year</b>	<b>27,031,740</b>	<b>33,988,440</b>

For and on behalf of the Board of Directors

As per our report of even date attached  
**For Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000203N

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
Whole Time Director

PLACE : LUDHIANA  
DATE : 30.05.2014

(ANOOP KUMAR)  
A.G.M.-Accounts

(ANIL MALHAN)  
Company Secretary

(Raj Gupta)  
Partner  
M. No.: 017039



## SIGNIFICANT ACCOUNTING POLICIES

### A. a) Accounting convention

The financial statements, except for the cash flow statement are prepared on accrual basis under the historical cost convention, treating the entity as going concern and 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) Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles. The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of 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 are known / materialize.

### B. Revenue Recognition:

#### a) Sales:

Revenue from domestic sale of goods is recognized at the time of dispatch of goods from the factory, which generally coincides the transfer of risks and rewards of ownership. Revenue from export sales of goods is recognized on the basis of the date of bill of lading.

Sales are exclusive of excise duty, sales tax/VAT and trade discount.

#### 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 in line with the recognition of revenue from export of goods.

#### d) Insurance and Other Claims:

Insurance claims are recognized on receipt basis.

### C. Inventories

Inventories are valued at cost or net realizable value, whichever is lower after providing obsolescence ,if any. The cost in respect of various items of inventory is determined as under

- In case of raw materials and stores & spares, at fifo basis plus direct expenses.
- In case of work in process, at raw material cost plus conversion cost depending the stage of completion.
- In case of finished goods, at raw material cost, conversion costs and other overheads incurred to bring the goods to their present location and condition plus excise duty wherever applicable.

### D. Employee Benefits

#### (a) Short-term employee benefits:

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss in the year in which the related services are rendered by the employees.

#### (b) Retirement Benefits:

Defined contribution plans:

Contributions to the employees' provident fund are made in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Such contributions are charged to the Statement of Profit and Loss of the year in which the related services are rendered by the employees.

#### Defined benefit plans:

##### i) Gratuity:

Liability in respect of gratuity is accounted for on the basis of an independent actuarial valuation. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

##### ii) Leave with Wages:

Liability in respect of leave with wages is accounted for by making provision on actual basis on the unutilized leaves standing credit to the employee.





## **E. Fixed Assets**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and net of taxes and duties subsequently refundable from government authorities. The cost of fixed assets includes interest on borrowings 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.

## **F. Intangible assets**

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

## **G. 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.

## **H. 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.

## **I. 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
- b) on straight line basis for assets acquired after that date.

## **j. Foreign Currency Conversion/Translation**

Foreign Currency Transactions are accounted for at the exchange rate prevailing on the date of the transactions. Foreign exchange monetary items outstanding as at the Balance Sheet date are reported using the rate prevailing at the end of the year, Gains and Losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of Profit and Loss .

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. Accounting for Taxes on Income**

- Provision for current tax has been made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act, 1961.
- Deferred Tax resulting from all timing differences between book profit and profit as per Income Tax Act, 1961 is accounted for at the enacted rate of tax to the extent that the timing differences are expected to reverse in future. Deferred Tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## **M. Cash Flow Statement**

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

## **N 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 in the Notes on Accounts.





# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)			
	31.03.2014	31.03.2013		
<b>NOTE NO. 1</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORIZED CAPITAL</b>				
<u>AT THE BEGINNING OF THE YEAR</u>				
600000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 600000000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000		
<u>INCREASE DURING THE YEAR</u>	-	-		
NIL (PREV. YEAR NIL)				
<u>AT THE END OF THE YEAR</u>				
600000000 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 600000000 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 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
<u>INCREASE DURING THE YEAR</u>	-	-		
NIL (PREV. YEAR NIL)				
<u>AT THE END OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
<b>SUBSCRIBED AND PAID UP CAPITAL</b>				
<u>AT THE BEGINNING OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
<u>INCREASE DURING THE YEAR</u>	-	-		
NIL (PREV. YEAR NIL)				
<u>AT THE END OF THE YEAR</u>				
45003140 EQUITY SHARES OF RS. 10/- EACH(PREV. YEAR 45003140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400		
<b>SHAREHOLDERS HOLDING MORE THAN 5% SHARES</b>				
<b>NAME OF PERSON</b>	% C.Y.	% P.Y.	NO. OF SHARES	NO. OF SHARES
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
JP Morgan Chase Bank NA	3.51	30	1580000	13,580,000
Ramesh Kumar Jindal	6.11	6	2747816	2,886,008
Rajinder Kumar Jindal	5.86	6	2637052	2,830,926
Yash Paul Jindal	5.62	6	2529265	2,711,918

### Foot Notes :-

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

	31.03.2014	31.03.2012
(Equity share issued as Bonus share on 04.7.2008	4801596	4801596

### Rights, preference 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 profits of the Company subject to any special rights relating thereto created or authorised to be created shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

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.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Surplus in Statement of Profit and Loss Account</b>		
As per Last Balance Sheet	135,562,290	91,449,276
Add Profit/(loss) during the year	(245,715,812)	44,113,014
Closing Balance	<u>(110,153,522)</u>	<u>135,562,290</u>
<b>Securities Premium reserve</b>		
As per Last Balance Sheet	2,278,558,364	2,278,558,364
Increase/ decrease during the year	-	-
Closing	<u>2,278,558,364</u>	<u>2,278,558,364</u>
<b>Foreign Currency Translation Reserve</b>		
As per Last Balance Sheet	2,309,086	2,309,086
Increase/ decrease during the year	-	-
<b>Closing Balance</b>	<u>2,309,086</u>	<u>2,309,086</u>
<b>Total Reserves and Surplus</b>	<u>2,170,713,927</u>	<u>2,416,429,740</u>
<b>NOTE NO. 3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>I Secured</b>		
1 Term Loans from Banks*	1,336,944,381	766,952,269
2 Term Loans from Others (Secured)	-	7,655,897
<b>Total Secured Long Term Borrowings (I)</b>	<u>1,336,944,381</u>	<u>774,608,166</u>
<b>II Unsecured</b>		
1 Term Loans from Banks	-	2,593,459
2 Deposits **	133,411,394	93,178,000
3 Loans and Advances from related parties #	186,128,022	189,458,524
4 From Others	29,866,849	-
<b>Total Unsecured Long Term Borrowings ( II )</b>	<u>349,406,266</u>	<u>285,229,983</u>
<b>Total Long Term Borrowings (I+II)</b>	<u>1,686,350,647</u>	<u>1,059,838,149</u>

* Maturity Profile of Secured Term Loans are as set out below:	1-2 years	2-3 years	3-5 years	Beyond 5 years
Current Year	338,092,278	98,445,423	299,070,471	601,336,209
Prev Year	210,333,092	203,242,788	335,682,285	25,350,000

**Maturity Profile of Deposits are as set out below:	1-2 Years	2-3 Years	3-5 Years	Beyond 5 years
Current Year	8,820,000	35,321,167	70,642,333	18,627,894
Prev Year	40011000	53167000	-	-

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

- Term Loan of Rs 698378884 (Prev. Year Rs 532833127) from OBC, Rs 192930794 (Prev. Year Rs 162698455) from Allahabad Bank, Rs 85878063 (Prev. Year Rs. 12121302) from Corporation Bank, Rs 121987067 (Prev. Year NIL) from State Bank of India 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. However Corporate Loan & FITL pertaining to Oriental bank of commerce Corporate Loan have exclusive charge on Residential Land & Building in the name of Mr. Sandeep Jindal, Msg 8061 sq yard situated at golf link ludhiana.
- Term Loan of Rs- 23005589 (Prev. Year. Rs. 23277660) From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan.
- Term Loan of Rs 32510096 (Prev. Year Rs. 34654052) 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
- The slowing industrial activity and depressed market conditions had seriously affected the operations of the company. The Company made request to Corporate Debt Restructuring Cell through Oriental Bank of Commerce (Lead Bank) to restructure the credit facilities. The Empowered Group of CDR-Cell has approved the restructuring package in CDR-Cell meetings held on 24/12/2013 vide order no. 857/2013-14 Dt. 27/12/2013.  
Period of continuing default in repayment of Interest - 1 - 3 Months (Prev.yr. - 1 - 3 Months), Default in repayment of Principal Nil (Prev. yr. - 1 Month)
- Loans of Rs 13771845 (Prev. Year Rs. 20880580) are secured by way of hypothecation of respective vehicles.
- Term borrowing from The Catholic Syrian Bank Limited of Rs. 196788313 ( Pre. Year 180630582) has transfer to Phoenix ARC Ltd due to non servicing of Interest. The above said term loan is secured by equitable mortgage of commercial plot in name of M/s Jindal Cycles Pvt. Ltd. and Personal Guarantee of Promoter Director.
- The company has received/accepted the deposits from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company has not able to repay the deposits within the schedule time period. The Company applied to the Company Law Board for deferment of repayment of deposits vide its order no. C.P. NO. 25/5/2013-CLB Dt. 23.12.2013 and has deferred the repayments of deposits by one year. The repayment of Deposits will start from March. 2015. In case of genuine hardship the company will repay Rs. 5 lacs on quarterly basis.  
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 Principal NIL (Prev. year NIL ), Amt. of default in repayment of interest NIL (Prev. year NIL ).



# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	31.03.2014	(Amount in Rs.) 31.03.2013
<b>NOTE NO. 4.1</b>		
<b>DEFERRED TAX LIABILITY ( NET)</b>		
Liability on account of Timing Difference Depreciation	80,152,905	80,013,256
Less: Deferred Tax Asset arising on account of timing difference	80,152,905	80,013,256
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)		
<b>TOTAL</b>	<u>-</u>	<u>-</u>
<b>NOTE NO. 4.2</b>		
<b>LONG TERM PROVISIONS</b>		
1 Provision for Employee Benefits		
a Gratuity payable	5,810,679	4,925,890
b Leave With Wages Payable	3,220,196	2,389,111
Sub Total	<u>9,030,875</u>	<u>7,315,001</u>
2 Others (Long Terms)	-	-
	<u>9,030,875</u>	<u>7,315,001</u>
<b>NOTE NO. 5</b>		
<b>SHORT TERM BORROWINGS</b>		
I Secured		
Loans Repayable on Demand/Working Capital Loans		
1 From Banks		
Security - Hypothecation of Stock and book debts of the company.	431,848,699	622,258,954
2 Loans repayble on Demand - Others (Secured)	-	-
<b>Total Secured Short Term Borrowings (I)</b>	<u>431,848,699</u>	<u>622,258,954</u>
a Short Term Borrowings of Rs 431848699 (Prev. Year Rs. 622258954) are Secured by way of 1st charge on Current Assets (Stock & Book debts) 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 the following promoter directors:-		
i Sh. Sandeep Jindal		
ii Sh. Yash Paul Jindal		
iii Sh. Rajinder jindal		
iv Sh. Ramesh Jindal		
b Amt of default in repayment of loan - Rs. Nil (Prev. Year 22258953.73) Default in repayment of Interest 10384762 (Prev. year.- Nil)		



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 6</b>		
<b>TRADE PAYABLES</b>		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	33,911,654	353,691,192
	<u>33,911,654</u>	<u>353,691,192</u>

**Note:**

- a 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.

**NOTE NO. 7**

**OTHER CURRENT LIABILITIES**

a Current Maturities of Long - Term Debt	28,306,271	198,945,143
b Deposits maturing within next 12 months	3,375,000	38,843,000
c Interest Accrued and due on Borrowings	-	30,808,694
d Advances from Customers	-	3,416,771
e Cheques under Reconciliation	34,939,723	-
f Security (Loading/Unloading Contractor)	35,000	35,000
<b>TOTAL</b>	<u>66,655,994</u>	<u>272,048,608</u>

**NOTE NO. 8**

**SHORT TERM PROVISIONS**

a Provisions for Employee benefits		
Bonus Payable	2,693,059	2,760,714
E.S.I. Payable	3,286,057	663,753
Provident Fund Payable	13,048,612	9,962,116
Personnel Expenses Payable	7,519,721	10,409,832
Directors Remuneration Payable	2,067,280	-
Welfare Fund Payable	29,541	38,109
b Others		
Freight & Cartage Payable	435,932	254,361
Electricity Expenses Payable	38,331,940	12,383,953
Telephone Expenses Payable	61,343	26,230
Interest payable	19,106,124	5,676,045
Rent Payable	514,000	-
Expenses Payable	33,942	339,439
Government Dues Payable	13,094,022	5,365,010
Auditors Remuneration Payable	379,215	-
<b>TOTAL</b>	<u>100,600,788</u>	<u>47,879,562</u>



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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

### Note No. 9 Fixed Asset

Sr. No	Particulars	Gross Block					Depreciaton			Net Block	
		As at 01.04.2013	Addition during the year	Sale/Adj. during the year	As at 31.03.2014	As at 01.04.2013	Provided during the year	Adj. during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>I</b>	<b>Tangible Assets</b>										
1	Land	62011573	0	0	62011573	0	0	0	62011573	62011573	
2	Factory Building	48336817	0	0	48336817	34854772	1348204	0	36202976	12133840	
3	Building	206874966	0	0	206874966	22221187	5940046	0	28161233	178713734	
4	Plant and Equipment	1055985891	686011	0	1056671902	472040248	42457650	0	514497898	542174004	
5	Weigh Bridge & Scales	1334699	42011	0	1376710	652305	47340	0	699645	677065	
6	Electric Installations	59820483	576871	0	60397354	18956776	2525277	0	21482053	389153001	
7	Office Equipments	4148973	330899	0	4479872	1333185	178590	0	1511775	2968097	
8	Computers	10124727	29000	0	10153727	6817428	1381362	0	8198789	1954938	
9	Cars	43933971	0	0	43933971	13780597	3832483	0	17613079	26320892	
10	Scooter	33072	0	0	33072	12088	3142	0	15029	18043	
11	Vehicles	3511412	0	0	3511412	1820643	349069	0	2169712	1341700	
11	Furnitures & Fixtures	2932830	189376	0	3122206	1302490	125591	0	1428081	1694125	
12	Wind Mill	65748035	0	0	65748035	17366966	3471496	0	20838462	44909573	
	<b>TOTAL</b>	<b>1564797450</b>	<b>1854167</b>	<b>0</b>	<b>1566651617</b>	<b>591158684</b>	<b>61660249</b>	<b>0</b>	<b>652818733</b>	<b>913832884</b>	<b>973638766</b>
<b>II</b>	<b>Intangible Assets</b>										
	Trademarks	13370	0	0	133700	40218	19048	0	59266	74434	93482
	<b>G TOTAL</b>	<b>1564931150</b>	<b>1854167</b>	<b>0</b>	<b>1566785317</b>	<b>591198902</b>	<b>61679297</b>	<b>0</b>	<b>652877998</b>	<b>913907318</b>	<b>973732248</b>

### NOTE NO. 10

#### NON CURRENT INVESTMENTS

31.03.2014

(Amount in Rs.)  
31.03.2013

#### a Other Investments ( Long Term )

Investment in Equity Instruments

(Unquoted- Fully Paid Up )

In Equity Shares of Subsidiary Companies

#### **M/s Jindal Medicot Limited**

300,500,000

300,500,000

50000 (prev. yr. 50000) Equity Shares of Rs. 10 each  
3750000 fully (Prev. yr 3750000) Shares @ Rs. 10 each  
fully paid up at a premium of Rs. 70 per share.

#### **M/s Jindal Specialty Textiles Ltd.**

511,750,000

511,750,000

(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

#### **M/s Himachal Textile Park Ltd**

2,500,000

2,500,000

(250000 (prev. yr. 250000) Equity Shares of  
Rs 10/- each fully paid up



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>M/s Jindal Metalex Ltd</b>	500,000	500,000
(Formerly known as Jindal Food & 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>	12,288,522	12,627,664
(1 Equity Share (prev. yr. 1 share ) 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>828,238,522</u>	<u>828,577,664</u>
<b>Total Long Term Investments ( I+II)</b>	<u>828,238,522</u>	<u>828,577,664</u>
Aggregate Amount of Quoted Investments	200,000	200,000
Market Value of Quoted Investments	123,200	132,400
Aggregate Amount of Unquoted Investments	828,038,522	828,377,664
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>OTHER NON CURRENT ASSETS</b> M/s Jindal International FZE (Share Application Money Pending Allotment')	339,143	-
<b>TOTAL</b>	<u>339,143</u>	<u>-</u>

### NOTE NO. 12

#### LONG TERM LOANS & ADVANCES

(Unsecured and Considered Good)

##### a Security Deposits

Lease Securities	4,500,000	4,500,000
Electricity Security	6,536,483	6,536,483
Telephone Security	30,094	31,811
Sales Tax Security ( Rajasthan)	20,000	20,000
L P G Security	2,100	2,100
Advance Consumption Deposit PSPCL	5,715,844	5,715,844



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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>b Loans and Advances to related parties</b>		
Jindal Medicot Ltd	163,317,563	151,406,347
Jindal Specialty Textiles Ltd	61,613,019	55,244,558
Others	137,714	-
<b>Total</b>	<b>241,872,817</b>	<b>223,457,143</b>
Loans and advances include the amounts due from		
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	-	-

### NOTE NO. 13

#### INVENTORIES

(As taken, valued and certified by the management)

a Raw Materials	11,341,839	98,645,595
b Work in Progress	22,698,342	26,713,300
c Finished Goods	70,840,402	37,802,419
d Store & Spares	27,400,667	22,501,160
e Others (Scrap/Waste)	2,837,799	3,806,144
<b>TOTAL</b>	<b>135,119,050</b>	<b>189,468,618</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 conversation cost depending upon stage of completion.
- in case of finished goods at raw material cost plus conversion cost and appropriate proportion of overheads incurred to bring the goods to there present location and condition plus excise duty wherever applicable.

### NOTE NO. 14

#### TRADE RECEIVABLES

(Unsecured )

a Outstanding for a period exceeding six months from the date they are due for payment	194,146,790	12,284,658
b Outstanding for a period not exceeding six months from the date they are due for payment	474,036,501	782,513,948
<b>TOTAL</b>	<b>668,183,291</b>	<b>794,798,606</b>

### NOTE NO. 15

#### CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	14,875,782	5,806,713
Balance with Banks		
a Current Accounts	1,781,327	13,915,688
b Fixed Deposit as Margin Money	10,374,632	14,266,039
<b>TOTAL</b>	<b>27,031,740</b>	<b>33,988,440</b>





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	31.03.2014	(Amount in Rs.) 31.03.2013
<b>NOTE NO. 16</b>		
<b>SHORT -TERM LOANS AND ADVANCES</b>		
a Loans and advances to related parties (Short Term)		
Jindal International FZE (Current Account)	2,315,846	2,215,208
Jindal International FZE	<u>1,561,967,550</u>	<u>1,561,967,550</u>
Sub Total	1,564,283,396	1,564,182,758
b Others		
Advances recoverable in cash or in kind or for value to be received		
i) Advance to Suppliers	16,509,326	39,142,941
ii) Prepaid Expenses	3,154,960	8,562,599
iii) Prepaid Insurance	1,043,295	1,173,647
iv) Tax deducted at source	1,777,220	1,128,226
v) Balance With Excise & Taxation Dept.	47,879,773	48,800,487
vi) Interest Receivable	1,171,957	3,292,578
vii) Other Advances	56,760,311	65,913,708
<b>TOTAL</b>	<u>1,692,580,238</u>	<u>1,732,196,944</u>
Loans and advances include the amounts due from		
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	-	-
<b>NOTE NO. 17</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products	2,635,115,009	2,963,743,431
Export Incentive	8,143,796	3,141,469
Other Operating Revenue	144,140	-
Revenue From Operation	<u>2,643,402,945</u>	<u>2,966,884,900</u>
Less: Excise Duty	887,816	750,335
<b>TOTAL</b>	<u>2,642,515,129</u>	<u>2,966,134,565</u>
<b>NOTE NO. 18</b>		
<b>OTHER INCOME</b>		
Interest Income	5,583,231	147,421,175
Foreign Exchange Fluctuation	10,497	94,167,759
Rebate & Discount	31,893	-
Misc income	<u>6,886,066</u>	-
<b>TOTAL</b>	12,511,688	241,588,934
<b>NOTE NO. 19</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw Materials.... I	98,645,595	28,261,611
Purchase of Raw Materials.... II	1,569,920,432	1,286,509,810
Closing Stock Raw Materials.....III	11,341,839	98,645,595
Cost of Raw Material Consumed ( I+II-III )	<u>1,657,224,188</u>	<u>1,216,125,826</u>



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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 20</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Purchases	500,038,238	1,107,432,706
Total Purchase	<u>500,038,238</u>	<u>1,107,432,706</u>
<b>NOTE NO. 21</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
WORK-IN-PROGRESS & WASTE		
Opening Stock of Finished Goods	30,404,835	147,826,817
Opening Stock of Work-in-Progress	26,713,300	24,063,019
Opening Stock of Stock-in-Trade	7,397,585	-
Opening Stock of Waste	3,806,144	6,117,902
Sub Total A	<u>68,321,864</u>	<u>178,007,738</u>
Closing Stock of Finished Goods	70,840,402	37,802,419
Closing Stock of Work-in-Progress	22,698,342	26,713,300
Closing Stock of Waste	2,837,799	3,806,144
Sub Total B	<u>96,376,543</u>	<u>68,321,863</u>
<b>TOTAL ( A-B )</b>	<u>(28,054,679)</u>	<u>109,685,875</u>
<b>NOTE NO. 22</b>		
EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages & Other Allowances	98,989,341	96,774,117
Contribution to E.S.I, P.F & Other Funds	7,642,829	8,308,100
Workmen & Staff Welfare Expenses	1,524,141	1,228,775
<b>TOTAL</b>	<u>108,156,311</u>	<u>106,310,992</u>
<b>NOTE NO. 23</b>		
<b>FINANCE COSTS</b>		
Bank Interest	206,416,793	200,582,007
Bank Charges & Commission	11,157,817	5,977,578
Fixed Deposit Scheme Expenses & Interest	21,607,157	16,539,939
Other Interest	17,013,759	25,855,861
Net Loss on Foreign Currency Transactions/Translation	9,395,867	-
<b>TOTAL</b>	<u>265,591,393</u>	<u>248,955,386</u>
<b>NOTE NO. 24</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	61,679,297	111,626,063
<b>TOTAL</b>	<u>61,679,297</u>	<u>111,626,063</u>
<b>NOTE NO. 25</b>		
<b>OTHER EXPENSES</b>		
Manufacturing Expenses		
Power & Fuels	246,050,396	184,593,531
Packing Materials Consumed	22,128,090	27,126,321
Machinery Repair & Maintenance	24,485,314	17,282,844
Electric Repair & Maintenance	4,170,570	4,074,694
Other Manufacturing Expenses	2,232,528	2,069,932
Rent	-	44,832
Sub Total I	<u>299,066,897</u>	<u>235,192,154</u>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>Selling &amp; Distribution Expenses</b>		
Commission on Domestic Sale	2,658,712	2,945,326
Export Expenses	8,947,202	3,868,711
Freight & Octroi Outward	276,860	95,920
Commission on export Sales	1,136,965	25,665
Rebate & Discount	2,852,448	1,936,361
Sales Promotion	310,313	-
Clearing & Forwarding	80,378	-
Advertisement & Publicity	315,902	359,519
Sub Total II	<u>16,578,779</u>	<u>9,231,501</u>
<b>OTHERS</b>		
Auditor's Remuneration		
Statutory Audit Fee	579,176	
Reimbursement of out of Pocket Exps.	<u>3,145</u>	
VAT Audit Fee	5,618	5,618
Cost Audit Fee	40,000	-
General Repaire & Maintance	4,227,032	4,066,260
ERP/EDP Maintance Charges	184,833	279,377
Rent, Rates & Taxes	1,732,194	1,817,727
Travelling & Conveyance Expenses	4,199,323	1,919,395
Listing Charges	408,992	264,046
Telephone & Postage	1,232,287	1,616,037
Printing & Stationery	586,643	783,803
Fine & Penalty	95,886	-
General Expenses	1,284,010	2,247,221
Loading & Unloading Charges	2,119,887	1,980,765
Legal & Professional Charges	1,200,386	1,909,020
Insurance Charges	1,969,253	1,849,401
Charity & Donation	109,850	-
Sub Total III	<u>19,978,515</u>	<u>19,049,983</u>
<b>TOTAL OF OTHER EXPENSES</b>	<u>335,624,191</u>	<u>263,473,638</u>

### NOTE NO. 26

#### EARNINGS PER SHARE

i) Net Profit/(loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(245,715,812)	44,113,014
ii) Weighted Average number of equity shares used as denominator for calculating EPS	45,003,140	45,003,140
iii) Basic Earnings per share	(5.46)	0.98
iv) Diluted Earnings per share	(5.46)	0.98
iv) Face Value per equity share	10.00	10.00



# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 27</b>		
<b>VALUE OF IMPORTS ON C.I.F. BASIS</b>		
Raw Material	-	9,148,614
Components and Spare Parts	3,417,485	1,922,661
Capital Goods	-	406,874
<b>TOTAL</b>	<b>3,417,485</b>	<b>11,478,149</b>
<b>NOTE NO. 28</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY</b>		
Foreign Travelling Expenses	129,871	-
Interest on FCNRB Loans	-	13,968,995
<b>TOTAL</b>	<b>129,871</b>	<b>13,968,995</b>
<b>NOTE NO. 29</b>		
<b>CONSUMPTION OF IMPROVED AND INDIGENOUS RAW MATERIAL, SPARE PARTS &amp; COMPONENTS</b>		
Indigenous	1,704,590,678	1,253,538,411
% of Consumption	99.80%	99.00%
Imported	3,417,485	11,071,275
% of Consumption	0.20%	1.00%
<b>TOTAL</b>	<b>1,708,008,162</b>	<b>1,264,609,686</b>
<b>NOTE NO. 30</b>		
<b>EARNING IN FOREIGN EXCHANGE</b>		
Export of Goods- FOB Basis	263,063,321	104,952,943
Interest and Dividend	-	141,021,393
<b>TOTAL</b>	<b>263,063,321</b>	<b>245,974,336</b>

### NOTE NO. 31

#### RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

#### I List of related parties where control exists and related parties with whom transactions have taken place:

S.No.	Name of Related Parties	Relationship
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 Pvt Ltd	} 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 Limited	
12	Mr. Sandeep Jindal	Key Management Personnel
13	Mr. Yash Paul Jindal	Key Management Personnel
14	Mr. Ramesh Jindal	Key Management Personnel
15	Mr. Rajinder Jindal	Key Management Personnel
16	Mr. Aman Jindal	Key Management Personnel
17	Mr. Sahil Jindal	Key Management Personnel
18	Mrs. Manu Jindal	Relative of Key Management Personnel



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

II) Transactions during the year with related parties:

S.No.	Nature of Transactions	Subsidiaries	Enterprses over which KMP or their relatives are able to exercise significant influence or control	Key Management Personnel	Others	Total
1	Purchases	5508288				5508288
	( Prev. Yr.)	68290571				68290571
2	Sales	10759956	5010574			5010574
	( Prev. Yr.)	62813715	0			62813715
3	Rent Paid		60000	144000		204000
	( Prev. Yr.)		60000	144000		204000
4	Interest received					0
	( Prev. Yr.)	141021393				141021393
5	Remuneration			300000	459900	759900
	( Prev. Yr.)			600000	423500	1023500
6	Net Loans & advances taken		95110	(3425612)		(3330502)
	( Prev. Yr.)		118270157	71188367		189458524
7	Net Loans & advances given	18380315	-	-	-	18380315
	( Prev. Yr.)	48861826	-	-	-	48861826
	<b>Balances at the year end</b>					
1	Investments	828038522				828038522
	( Prev. Yr.)	828377664				828377664
2	Trade Receivables		5010574			5010574
	( Prev. Yr.)		-			-
3	Loans & advances taken		118365267	67762755		186128022
	( Prev. Yr.)		118270157	71188367		189458524
4	Loans & advances given	1789213978				1789213978
	( Prev. Yr.)	1770833662				1770833662

### NOTE NO. 32

#### Lease Payments in respect of Assets taken on Operating Lease.

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 Company has taken land on lease from Mr. Yash Paul Jindal, Mr. Rajinder Kumar Jindal & Mr. Ramesh Jindal at a monthly rental of Rs 12000. The Lease will expire on June 21, 2028. The company recognises the expense on due basis.

The Lease Agreements generally have a lock in period of 1 to 3 years at the option of lessee thereafter.

Lease payments under operating Lease are recognised as an expenses in the Statement of Profit & Loss Account.

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

	Current Year	Previous Year
- not later than one year	144,000	204,000
-later than one year and not later than five years	576,000	656,000
-later than five years	1,332,000	1,476,000
	<u>2,052,000</u>	<u>2,336,000</u>

### NOTE NO. 33

Actuarial assumptions

	Gratuity (Unfunded)	
	2013-14	2012-13
	1994-96	1994-96
	(Ultimate)	(Ultimate)
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.



# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

### NOTE NO. 34

Segment information for the year ended March , 2014.

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

	TEXTILE		WIND MILL		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenue:</b>						
External (Net of Excise)	2637743517	2961675159	4771613	4,459,406	2642515129	2966134565
Inter-segment	-	-	-	-	-	-
Total Revenue	2637743517	2961675159	4,771,613	4,459,406	2,642,515,129	2966134565
<b>Result:</b>						
Segment Result	(242817512)	46770504	(2,414,609)	(2,657,490)	(245232121)	44113014
Unallocated Expenditure					0	0
Profit before Tax					(245232122)	44113014
Provision for Tax/Adjustment of tax for Earlier Years					483,690	-
Profit After Tax					(245715812)	44113014

	TEXTILE		WIND MILL		TOTAL	
	2013-14	2012-13	2013-14	2012-2013	2013-14	2012-13
Segment Assets	4,075,995,889	4352533873	44,909,573	48,381,069	4,120,905,462	4,400,914,942
Segment Liabilities	2,304,477,257	2339110067	23,921,399	23,921,399	2,328,398,656	2,363,031,466
Capital Expenditure	1,854,167	11230229		-	1,854,167	11,230,229
Depreciation	58207801	108154566	3,471,496	3,471,496	61,679,297	111626063

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

Revenue by geographical market

	INDIA	OUTSIDE INDIA	TOTAL
External	2,369,910,961	272,604,168	2,642,515,129
Prev Year	2,863,041,873	103843027	2,966,884,900
Inter-segment			
Total	2,369,910,961	272604168	2,642,515,129
Total Prev Year	2,863,041,873	103843027	2,966,884,900

#### (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
- Outside India : comprising of sales to customers located outside India.

(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. 35

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.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

### NOTE NO. 36

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

### NOTE NO. 37

All figures have been rounded off to nearest rupees.

### NOTE NO. 38

Parties Balances are Subject to Confirmation.

### NOTE NO. 39

Figures in brackets indicate deductions.

### NOTE NO. 40

#### CONTINGENT LIABILITIES AND COMMITMENTS

	(Amount in Rs.)	
( To the extent not provided for)	31.03.2014	31.03.2013
a Contingent Liabilities		
i) Cliams 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	506,451	972,980
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.	-	-
v) Demand raised by sales tax authorities and the same is disputed by the company.	-	-
vi) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Subsidiaries	2,520,000,000	2,425,000,000
b Commitments		
i) Estimated amount of contracts remaining to be executed on capital and not provided for	886,345,242	886,345,242
ii) Uncalled liability on Shares and other investments partly paid	-	-
iii) Other Commitments	-	-
<b>TOTAL</b>	<b>3,406,851,693</b>	<b>3,312,318,222</b>

### NOTE NO. 41

In Terms of The Accounting Standard -28, "Impairment of Assets" issued by ICAI an exercise was undertaken to determine 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. Accordingly no impairment loss has been provided in the books of accounts.

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

As per our report of even date attached  
**For Raj Gupta & Co.**  
 Chartered Accountants  
 Firm Regn. No. 000203N

**(SANDEEP JINDAL)**  
 Chairman & Managing Director

**(RAJINDER JINDAL)**  
 Whole Time Director

PLACE : LUDHIANA  
 DATE : 30.05.2014

**(ANOOP KUMAR)**  
 A.G.M.-Accounts

**(ANIL MALHAN)**  
 Company Secretary

**(Raj Gupta)**  
 Partner  
 M. No.: 017039





## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

**To the Board of Directors of**  
Jindal Cotex Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Jindal Cotex Limited ("the Company") and its subsidiaries (the company and its subsidiaries constitute "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on the financial information of subsidiary company refer to below in Other Matter paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the consolidated statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### **Other Matter**

we did not conducted the audit of financial statements of one subsidiary ,whose report have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures in respect of subsidiary is based solely on the report of the other auditor.

Our opinion is not qualified in respect of this matter.

**For Raj Gupta & Co.**  
**Chartered Accountants**  
**FRN No : 000203N**

**Raj Kumar Gupta**  
**Partner**  
**M. No. 017039**

**Place: Ludhiana**  
**Dated: 30.05.2014**



# Jindal Cotex Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	(Amount in Rs.)	
		31.03.2014	31.03.2013
<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	2,360,811,338	2,504,746,379
		-	-
Sub Total		2,810,842,738	2,954,777,779
<b>2) Share Application Money pending allotment</b>		339,142	95,000,000
		-	-
<b>3) Minority Interest</b>		36,350,000	350,000
<b>4) Non-Current Liabilities</b>			
a) Long Term Borrowings	3	3,141,760,310	2,786,072,148
b) Deferred Tax Liabilities (Net)	4.1	-	-
c) Other Long Term Liabilities	4.2	-	-
d) Long Term Provisions	4.3	13,209,390	10,330,716
<b>5) Current Liabilities</b>			
a) Short term Borrowings	5	967,673,010	970,085,578
b) Trade Payables	6	347,166,161	2,257,810,328
c) Other Current Liabilities	7	850,237,006	517,557,507
d) Short term Provisions	8	111,512,764	56,268,154
<b>TOTAL</b>		8,279,090,520	9,648,252,210
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>1) a) Fixed assets</b>			
i) Tangible Assets	9	2,332,278,725	2,312,733,249
ii) Intangible assets		74,434	93,483
iii) Capital Work in Progress		1,999,603,939	1,818,058,663
iv) Intangible Assets under Development		-	-
Sub Total		4,331,957,098	4,130,885,395
b) Non Current Investments	10	202,500	202,500
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and Advances	11	22051579	21,885,838
e) Other Non Current assets	12	1,138,557	912,814
Sub Total		4355349735	4,153,886,548
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	13	219,394,970	430,033,184
c) Trade receivables	14	3,148,144,891	4,484,188,958
d) Cash and Cash Equivalents	15	269,555,494	140,182,180
e) Short Term Loans and Advances	16	286,645,431	439,961,341
f) Other Current Assets		-	-
<b>TOTAL</b>		8279090520	9,648,252,210

Significant Accounting Policies and

Notes on Financial Statements attached 1 to 40

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

As per our report of even date attached  
**For Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000203N

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
Whole Time Director

PLACE : LUDHIANA  
DATE : 30.05.2014

(ANOOP KUMAR)  
A.G.M.-Accounts

(ANIL MALHAN)  
Company Secretary

(Raj Gupta)  
Partner  
M. No.: 017039



# Annual Report 2013-14

## CONSOLIDATED PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2014

			(Amount in Rs.)	
PARTICULARS		NOTE NO.	31.03.2014	31.03.2013
I.	Revenue From Operations	17	3,482,223,288	6,569,234,781
II.	Other Income	18	25,047,380	110,519,515
III.	Total Revenue (I+II)		<u>3,507,270,668</u>	<u>6,679,754,296</u>
IV.	Expenses			
	Cost of Materials Consumed	19	1,798,120,974	2,249,653,154
	Purchase of Stock in Trade	20	923,210,936	3,413,996,893
	Changes in Inventories of Finished goods work-in-progress and Stock-In-Trade	21	138,262,805	(26,673,943)
	Employee Benefits Expenses	22	139,251,341	140,347,137
	Finance Costs	23	478,467,139	408,612,797
	Depreciation and Amortization Exps.	24	121,278,165	171,174,584
	Other Expenses	25	407,436,673	322,007,294
	Total Expenses		<u>4,006,028,034</u>	<u>6,679,117,915</u>
V.	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(498,757,366)	636,380
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		(498,757,366)	636,380
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) before Tax (VII-VIII)		(498,757,366)	636,380
X.	Tax Expense:		-	-
	1) Current Tax		-	-
	2) Deferred Tax		483,690	-
	3) Adjustment for earlier years tax		-	-
	Sub Total		<u>483,690</u>	<u>-</u>
XI.	Profit/(Loss) for the period (V-VI)		(499,241,056)	636380
XII.	Earnings per Equity Share after minority interest :	26		
	1) Basic - In Rs.		9.25	0.01
	2) Diluted - In Rs.		9.25	0.01

Significant Accounting Policies and

Notes on Financial Statements attached

1 to 40

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

As per our report of even date attached

**For Raj Gupta & Co.**

Chartered Accountants

Firm Regn. No. 000203N

**(SANDEEP JINDAL)**  
Chairman & Managing Director

**(RAJINDER JINDAL)**  
Whole Time Director

**(Raj Gupta)**

Partner

M. No.: 017039

PLACE : LUDHIANA  
DATE : 30.05.2014

**(ANOOP KUMAR)**  
A.G.M.-Accounts

**(ANIL MALHAN)**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(498,757,366)	636,380
Adjustment For: -		
Depreciation and Amortisation	121,278,165	171,174,584
Foreign Exchange Fluctuation Gain	(10,497)	(94,610,786)
Foreign Currency Translation Reserve	185,026,015	2,311,248
Interest Received	(16,404,567)	(15,908,729)
Interest Expense	478,467,139	408,612,797
Profit on sales of fixed assets	-	8,978
Provision For Tax		
Previous year Income Tax	(483,690)	-
<b>Operating Profit before working capital Changes</b>	<b>269,115,199</b>	<b>472,224,472</b>
Adjustment For		
Trade & Other Receivables	1,336,044,067	(2,624,994,850)
Loans and advances	153,315,910	434,618,546
Inventories	210,638,214	(100,300,098)
Trade and other Payables	(1,522,720,059)	1,777,614,400
Other Current Liabilities		
Sundry Creditors & Payables		
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>446,393,332</b>	<b>(40,837,530)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(141,256,080)	(167,111,491)
Sale of Fixed Assets	-	264,197
Increase in Capital Advance	(181,545,276)	-
Long Term Loan and Advances	(165,741)	(1,089,774)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(322,967,097)</b>	<b>(167,937,068)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	355,688,162	530,387,045
Proceeds from Short term borrowings	(2,412,568)	(178,960,472)
Other Long Term Provisions	2,878,674	10,330,716
Foreign Exchange Fluctuation Gain	10,497	94,610,786
Interest Received	16,404,567	15,908,729
Interest Expense	(478,467,139)	(408,612,797)
Misc. Expenses	225,743	(36,129)
Share Application Money/Member Contribution Received	111,619,142	221,590,000
Net Proceeds from Issue of Equity Shares		-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>5,947,078</b>	<b>285,217,878</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>	<b>(129,373,313)</b>	<b>76,443,280</b>
<b>Cash and Cash Equivalent at beginning of year</b>	<b>140,182,180</b>	<b>63,738,900</b>
<b>Cash and Cash Equivalent at the end of year</b> (Note 15)	<b>269,555,494</b>	<b>140,182,180</b>

For and on behalf of the Board of Directors

As per our report of even date attached  
**For Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000203N

(SANDEEP JINDAL)  
Chairman & Managing Director

(RAJINDER JINDAL)  
Whole Time Director

PLACE : LUDHIANA  
DATE : 30.05.2014

(ANOOP KUMAR)  
A.G.M.-Accounts

(ANIL MALHAN)  
Company Secretary

(Raj Gupta)  
Partner  
M. No.: 017039



## SIGNIFICANT ACCOUNTING POLICIES

### A. a) Accounting convention

The financial statements, except for the cash flow statement are prepared on accrual basis under the historical cost convention, treating the entity as going concern and 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) Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles. The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of 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 are known / materialize.

### B. Revenue Recognition:

#### a) Sales:

Revenue from domestic sale of goods is recognized at the time of dispatch of goods from the factory, which generally coincides the transfer of risks and rewards of ownership. Revenue from export sales of goods is recognized on the basis of the date of bill of lading.

Sales are exclusive of excise duty, sales tax/VAT and trade discount.

#### 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 in line with the recognition of revenue from export of goods.

#### d) Insurance and Other Claims:

Insurance claims are recognized on receipt basis.

### C. Inventories

Inventories are valued at cost or net realizable value, whichever is lower after providing obsolescence ,if any. The cost in respect of various items of inventory is determined as under

- In case of raw materials and stores & spares, at fifo basis plus direct expenses.
- In case of work in process, at raw material cost plus conversion cost depending the stage of completion.
- In case of finished goods, at raw material cost, conversion costs and other overheads incurred to bring the goods to their present location and condition plus excise duty wherever applicable.

### D. Employee Benefits

#### (a) Short-term employee benefits:

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss in the year in which the related services are rendered by the employees.

#### (b) Retirement Benefits:

Defined contribution plans:

Contributions to the employees' provident fund are made in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Such contributions are charged to the Statement of Profit and Loss of the year in which the related services are rendered by the employees.

#### Defined benefit plans:

##### i) Gratuity:

Liability in respect of gratuity is accounted for on the basis of an independent actuarial valuation. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

##### ii) Leave with Wages:

Liability in respect of leave with wages is accounted for by making provision on actual basis on the unutilized leaves standing credit to the employee.



## SIGNIFICANT ACCOUNTING POLICIES

### **E. Fixed Assets**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and net of taxes and duties subsequently refundable from government authorities. The cost of fixed assets includes interest on borrowings 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.

### **F. Intangible assets**

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

### **G. 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.

### **H. 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.

### **I. 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
- b) on straight line basis for assets acquired after that date.

### **j. Foreign Currency Conversion/Translation**

Foreign Currency Transactions are accounted for at the exchange rate prevailing on the date of the transactions. Foreign exchange monetary items outstanding as at the Balance Sheet date are reported using the rate prevailing at the end of the year, Gains and Losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of Profit and Loss .

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. Accounting for Taxes on Income**

- Provision for current tax has been made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act, 1961.
- Deferred Tax resulting from all timing differences between book profit and profit as per Income Tax Act, 1961 is accounted for at the enacted rate of tax to the extent that the timing differences are expected to reverse in future. Deferred Tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **M. Cash Flow Statement**

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

### **N 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 in the Notes on Accounts.



# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
6,00,000,000 EQUITY SHARES OF RS. 10/- EACH (PREV. YEAR 6,00,000,000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000
<u>INCREASE DURING THE YEAR</u>	-	-
NIL (PREV. YEAR NIL)		
<u>AT THE END OF THE YEAR</u>		
6,00,000,000 EQUITY SHARES OF RS. 10/- EACH (PREV. YEAR 6,00,000,000 EQUITY SHARES OF RS. 10/- EACH)	600,000,000	600,000,000
<b>ISSUED CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
4,50,03,140 EQUITY SHARES OF RS. 10/- EACH (PREV. YEAR 4,50,03,140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400
<u>INCREASE DURING THE YEAR</u>	-	-
NIL (PREV. YEAR NIL)		
<u>AT THE END OF THE YEAR</u>		
4,50,031,40 EQUITY SHARES OF RS. 10/- EACH (PREV. YEAR 4,50,03,140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400
<b>SUBSCRIBED AND PAID UP CAPITAL</b>		
<u>AT THE BEGINNING OF THE YEAR</u>		
4,50,03,140 EQUITY SHARES OF RS. 10/- EACH (PREV. YEAR 4,50,03,140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400
<u>INCREASE DURING THE YEAR</u>	-	-
NIL (PREV. YEAR NIL)		
<u>AT THE END OF THE YEAR</u>		
4,50,031,40 EQUITY SHARES OF RS. 10/- EACH (PREV. YEAR 4,50,03,140 EQUITY SHARES OF RS. 10/- EACH)	450,031,400	450,031,400

### SHAREHOLDERS HOLDING MORE THAN 5% SHARES

NAME OF PERSON	% C.Y.	% L.Y.	NO. OF SHARES	NO. OF SHARES
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
JP Morgan Chase Bank NA	3.51	30	1580000	13,580,000
Ramesh Kumar Jindal	6.11	6	2747816	2,886,008
Rajinder Kumar Jindal	5.86	6	2637052	2,830,926
Yash Paul Jindal	5.62	6	2529265	2,711,918

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

	31.03.2014	31.03.2013
(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, 2014

PARTICULARS	(Amount in Rs.)			
	31.03.2014	31.03.2013		
<b>NOTE NO. 2</b>				
<b>RESERVES AND SURPLUS</b>				
Surplus in Profit and Loss Account				
As per Last Balance Sheet	93,407,885	92,771,505		
Add Profit during the year	(499,241,056)	636,380		
Less Transfer to General Reserve	-	-		
Closing Balance	<u>(405,833,171)</u>	<u>93,407,885</u>		
<b>Securities Premium reserve</b>				
As per Last Balance Sheet	2,278,558,364	2,278,558,364		
Add:- On issue of Shares/ GDRs	54,000,000	-		
	<u>2,332,558,364</u>	<u>2,278,558,364</u>		
Less: Preliminary Expenses Adjusted	-	-		
Less:GDR Expenses Adjusted	-	-		
Less:Foreign Currency fluctuation for GDR	-	-		
Closing Balance	<u>2,332,558,364</u>	<u>2,278,558,364</u>		
<b>Foreign Currency Translation Reserve</b>				
As per Last Balance Sheet	6,500,130	4,188,882		
Add Transfer from Foreign Exchange Fluctuation	185,026,015	2,311,248		
<b>Closing Balance</b>	<u>191,526,145</u>	<u>6,500,130</u>		
Capital Reserve				
Grant Received from Ministry of Textile, New Delhi	232,560,000	116,280,000		
	<u>232,560,000</u>	<u>116,280,000</u>		
Members Contribution toward Textile Park				
Membership Contribution	10,000,000	10,000,000		
	<u>10,000,000</u>	<u>10,000,000</u>		
<b>Total Reserves and Surplus</b>	<u>2,360,811,338</u>	<u>2,504,746,379</u>		
<b>NOTE NO. 3</b>				
<b>LONG TERM BORROWINGS</b>				
<b>I Secured</b>				
1 Term Loans from Banks*	2,706,304,044	2,435,036,268		
2 Term Loans from Others (Secured)	0	7,655,897		
<b>Total Secured Long Term Borrowings (I)</b>	<u>2,706,304,044</u>	<u>2,442,692,164</u>		
<b>II Unsecured</b>				
1 Term Loans from Banks	-	2,593,459		
2 Deposits **	133,411,394	93,178,000		
3 Loans and Advances from related parties	272,178,022	247,608,524		
4 Other Loans and Advances	29,866,849	-		
a Intercompany loans	-	-		
b Others	-	-		
<b>Total Unsecured Long Term Borrowings (II)</b>	<u>435,456,266</u>	<u>343,379,984</u>		
<b>Total Long Term Borrowings (I+II)</b>	<u>3,141,760,310</u>	<u>2,786,072,148</u>		
* Maturity Profile of Secured Term Loans are as set out below:				
	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-5 years</b>	<b>Beyond 5 years</b>
Current Year	531,626,428	517,412,124	1,055,803,612	337,850,000
Prev Year	531,626,428	517,412,124	1,055,803,612	337,850,000
**Maturity Profile of Deposits are as set out below:				
	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>Beyond 5 years</b>
Current Year	8,820,000	35,321,167	70,642,333	18,627,894
Prev Year	40011000	53167000		
<b>With reference to Secured Term Loans and the amount Current Maturities of such Secured Loans.</b>				
a Term Loan of Rs 698378884 (Prev. Year Rs 532833127) from OBC, Rs 192930794 (Prev. Year Rs 162698455) from Allahabad Bank, Rs 85878063 (Prev. Year Rs. 12121302) from Corporation Bank, Rs 121987067 (Prev. Year NIL) from State Bank of India 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. However Corporate Loan & FITL pertaining to Oriental bank of commerce Corporate Loan have exclusive charge on Residential Land & Building in the name of Mr. Sandeep Jindal, M/s 8061 sq yard situated at golf link ludhiana.				
b Term Loan of Rs- 23005589 (Prev. Year. Rs. 23277660) From Punjab and Sind Bank is secured by way of exclusive charge on Windmill purchased out of the Term Loan.				
c Term Loan of Rs 32510096 (Prev. Year Rs. 34654052) 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				
d The slowing industrial activity and depressed market conditions had seriously affected the operations of the company. The Company made request to Corporate Debt Restructuring Cell through Oriental Bank of Commerce (Lead Bank) to restructure the credit facilities. The Empowered Group of CDR-Cell has approved the restructuring package in CDR-Cell meetings held on 24/12/2013 vide order no. 857/2013-14 Dt. 27/12/2013. Period of continuing default in repayment of Interest - 1 - 3 Months (Prev. yr. - 1 - 3 Months), Default in repayment of Principal Nil (Prev. yr. - 1 Month)				
e Loans of Rs 13771845 (Prev. Year Rs. 20880580) are secured by way of hypothecation of respective vehicles.				
f Term borrowing from The Catholic Syrian Bank Limited of Rs. 196788313 ( Pre. Year 180630582) has transfer to Phoenix ARC Ltd due to non servicing of Interest. The above said term loan is secured by equitable mortgage of commercial plot in name of M/s Jindal Cycles Pvt. Ltd. and Personal Guarantee of Promoter Director.				
g The company has received/accepted the deposits from General Public in shape of FDR for different time frames for maturity. Due to financial constraints, the company has not able to repay the deposits within the schedule time period. The Company applied to the Company Law Board for deferment of repayment of deposits vide its order no. C.P. NO. 25/5/2013-CLB Dt. 23.12.2013 and has deferred the repayments of deposits by one year. The repayment of Deposits will start from March. 2015. In case of genuine hardship the company will repay Rs. 5 lacs on quarterly basis.				
h Term Loan of Rs 510998454/- from SBI (Prev. Year - Rs.506372381/- ), Rs 199014667/- from Bank of Baroda (Prev. Year - Rs. 186718131/- ) 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.				
i Term Loan of Rs 85389144/- from Central Bank of India (Prev. Year - 65747735) 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. 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.				
j Term Loan / Funded Interest Term Loan of Rs 658624861/- (Prev Year 668660150/- ) from PNB, Rs 216745784/- (Prev Year 220732445/-) from Corporation Bank, Rs. 244473839/- (Prev. Year 221568746/-) 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. The Loans are secured by way of 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.				
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				
<b># With reference to loans and advances from related parties</b>				
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 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 4.1</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Liability on account of Timing Difference Depreciation	123,990,929	123,990,929
Less: Deferred Tax Asset arising on account of timing difference	123,990,929	123,990,929
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)		
<b>TOTAL</b>	<u>-</u>	<u>-</u>

### NOTE NO. 4.2

#### OTHER LONG TERM LIABILITIES

Trade Payables (Long Term)	-	-
Others (Capital Goods)	0	0
	<u>0</u>	<u>0</u>

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.

### NOTE NO. 4.3

#### LONG TERM PROVISIONS

1 Provision for Employee Benefits		
a Gratuity	8,545,908	6,829,597
b Leave with wages payable	4,663,482	3,501,119
Sub Total	<u>13,209,390</u>	<u>10,330,716</u>
2 Others ( Long Terms )	-	-
	<u>13,209,390</u>	<u>10,330,716</u>

### NOTE NO. 5

#### SHORT TERM BORROWINGS

<b>I Secured</b>		
Loans Repayable on Demand/Working Capital Loans		
1 From Banks	957,101,630	945,376,963
2 Loans repayable on Demand - Others (Secured)	-	-
<b>Total Secured Short Term Borrowings (I)</b>	<u>957,101,630</u>	<u>945,376,963</u>
<b>II Unsecured</b>		
1 Loans repayable on Demand		
a From Banks	-	4,958,284
b From other parties	-	-
2 Loans and Advances from related parties	2,671,380	126,280
Sandeep Jindal	-	-
3 Deposits	-	-
4 Other Loans and Advances	7,900,000	19,624,051
b Others	-	-
<b>Total Unsecured Short Term Borrowings ( II )</b>	<u>10,571,380</u>	<u>24,708,615</u>
<b>Total Short Term Borrowings (I+II)</b>	<u>967,673,010</u>	<u>970,085,578</u>

- a Short Term Borrowings of Rs 431848699 (Prev. Year Rs. 622258954) are Secured by way of 1st charge on Current Assets (Stock & Book debts) 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 the promoter directors.
- b Short Term Borrowings of Rs 188927638 from State Bank of India (Prev. Year - 113118009 ) are Secured by way of 1st charge on Current Assets(stock & Book debts) of the Company and 2nd charge on the fixed assets(Land & Building) 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.
- c Short Term Borrowings of Rs 42520300 from Punjab & Sind Bank (Prev. Year - 40,000,000 ) are Secured by way of 1st charge on Current Assets(Stock & Book debts)/ Fixed Assets(Land & Building) 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.
- d Short Term Borrowing of Rs. 10504786/- from Bank of Baroda is Overdraft limit for short term against the personal guarantee of Promoters Directors & Corporate Guarantee of Jindal Cotex Limited & Himachal Textile Park Ltd.
- e Short Term Borrowings of Rs.263604302/- (Prev. Year 176406633/- ) are from Punjab National Bank & Rs.19695905/- (Prev. Year - Nil ) from Corporation 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.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 6</b>		
<b>TRADE PAYABLES</b>		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	347,166,161	2,257,810,328
	<u>347,166,161</u>	<u>2,257,810,328</u>

**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.

**NOTE NO. 7**

**OTHER CURRENT LIABILITIES**

a Current Maturities of Long - Term Debt	516,762,873	393,161,143
b Deposits maturing within next 12 months	3,375,000	38,843,000
c Interest Accrued but not due on Borrowings	83,766,732	-
d Interest Accrued and due on Borrowings	-	46,717,916
e Advances from Customers	16,122,386	3,528,861
ii) Cheque under reconciliation	63,415,633	27,397,595
iii) Security	785,000	2,250,000
f Other Payables	166,009,382	5,658,992
Total	<u>850,237,006</u>	<u>517,557,507</u>

**NOTE NO. 8**

**SHORT TERM PROVISIONS**

a Provisions for Employee benefits	36,081,208	30,064,895
b Others	75,431,556	26,203,259
Total	<u>111,512,764</u>	<u>56,268,154</u>



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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

Note of the Balance Sheet as at 31st March, 2014

Note: 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 31.03.2014	WDV as on 31.03.2013
I	<b>Tangible Assets</b>											
1	Land	144324977	-	-	-	144,324,977	-	-	-	144,324,977	144,324,977	144,324,977
2	Factory Building	351515584	15,500,346	-	-	367,015,930	42,623,878	6,260,129	-	48,884,007	318,131,923	308,891,706
3	Building	206874966	-	-	-	206,874,966	22,221,187	11,155,711	-	33,376,897	173,498,069	184,653,779
4	Plant and Equipment	2058525029	104,221,641	-	-	2,162,746,670	532,426,033	89,703,237	-	622,129,270	1,540,617,401	1,526,098,997
5	Weigh Bridge & Scales	1334689	42,011	-	-	1,376,710	652,305	47,340	-	699,645	677,065	682,394
6	Electric Installations	80095588	20,912,595	-	-	101,008,184	25,357,390	3,556,117	-	28,913,507	72,094,676	54,738,198
7	Scooter	33072	-	-	-	33,072	12,088	3,142	-	15,230	17,842	20,984
8	Vehicles	4244162	-	-	-	4,244,162	2,039,204	418,680	-	2,457,884	1,786,278	2,204,958
9	Furnitures & Fixtures	5013531	189,376	-	-	5,202,907	1,598,408	306,145	-	1,904,553	3,298,354	3,415,123
10	Cars	43933971	-	-	-	43,933,971	13,780,596	3,832,483	-	17,613,079	26,320,892	30,153,375
11	Office Equipment	5519117	351,399	-	-	5,870,516	1,430,410	725,319	-	2,155,730	3,714,787	4,088,707
12	Computer	11704166	38,712	-	-	11,742,878	7,224,512	1,631,478	-	8,855,990	2,886,889	4,479,655
13	Wind Mill	65748035	-	-	-	65,748,035	17,366,966	3,471,496	-	20,838,462	44,909,573	48,381,069
	<b>SUB TOTAL (A)</b>	<b>2,978,866,899</b>	<b>141,256,080</b>	<b>-</b>	<b>-</b>	<b>3,120,122,979</b>	<b>666,732,976</b>	<b>121,111,278</b>	<b>-</b>	<b>787,844,254</b>	<b>2,332,278,725</b>	<b>2,312,133,923</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>3,038,016,850</b>	<b>24,239,544</b>	<b>82,500,000</b>	<b>290,168</b>	<b>2,979,466,225</b>	<b>495,742,033</b>	<b>171,007,937</b>	<b>16,993</b>	<b>666,732,976</b>	<b>2,312,733,249</b>	<b>2,542,274,817</b>
II	<b>Intangible Assets</b>	133,700	-	-	-	133,700	40,218	19,048	-	59,266	74,434	93,482
	<b>SUB TOTAL (B)</b>	<b>133,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,700</b>	<b>40,218</b>	<b>19,048</b>	<b>-</b>	<b>59,266</b>	<b>74,434</b>	<b>93,482</b>
	<b>TOTAL-PREVIOUS YEAR</b>	<b>119,700</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>133,700</b>	<b>21,410</b>	<b>18,807</b>	<b>-</b>	<b>40,217</b>	<b>93,483</b>	<b>98,290</b>
	<b>Total [A + B + C + D] (Current Year)</b>	<b>2,979,000,599</b>	<b>141,256,080</b>	<b>-</b>	<b>-</b>	<b>3,120,256,679</b>	<b>666,773,194</b>	<b>121,130,325</b>	<b>-</b>	<b>787,903,520</b>	<b>2,332,353,160</b>	<b>2,312,227,405</b>
	<b>(Previous Year)</b>	<b>3,038,136,550</b>	<b>24,253,544</b>	<b>82,500,000</b>	<b>290,168</b>	<b>2,979,599,925</b>	<b>495,763,443</b>	<b>171,026,744</b>	<b>16,993</b>	<b>666,773,193</b>	<b>2,312,826,732</b>	<b>2,542,373,107</b>

(Amount in Rs.)

### NOTE NO. 10

31.03.2014

31.03.2013

#### NON CURRENT INVESTMENTS

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

Investment in Equity Instruments

(Unquoted- Fully Paid Up)

Long term Investment at cost

Unquoted --- Other than Trade

250 Equity Shares of Rs 10/-

in Shivalik Solid Waste Management Ltd.

Quoted Investments - Other than Trade

**BARODA PIONEER PSU EQUITY FUND**

(20,000 units of Rs. 10 each)

Sub Total I

	0	0
	2,500	2,500
	200,000	200,000
	<u>202,500</u>	<u>202,500</u>

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

a Investment in Equity Instruments

(Unquoted- Fully Paid Up )

Sub Total II

	0	0
	<u>0</u>	<u>0</u>

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

	<u>202,500</u>	<u>202,500</u>
--	----------------	----------------

Aggregate Amount of Quoted Investments

200,000

200,000

Market Value of Quoted Investments

132,400

132,400

Aggregate Amount of Unquoted Investments

2,500

2,500

Aggregate Provision for diminution in Value of Investments \*

0

0

Note : All investments are valued at cost.

\* Nil as they are not of Permanent Nature



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	31.03.2014	(Amount in Rs.) 31.03.2013
<b>NOTE NO. 11</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured and Considered Good)		
a Security Deposits		
Earnest Money Deposit		
Other Deposit	21,638,115	21,610,088
b Others Loans & Advances	413,464	275,750
<b>TOTAL</b>	<u>22,051,579</u>	<u>21,885,838</u>

<b>NOTE NO. 12</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Preliminary Expenses	860,152	668,849
Preoperative Expenses	278,405	243,965
<b>TOTAL</b>	<u>1,138,557</u>	<u>912,814</u>

<b>NOTE NO. 13</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
a Raw Materials	28,579,390	105,893,102
b Wok in Progress	29,266,264	38,072,824
c Finished Goods	119,407,326	248,250,050
d Store & Spares	37,391,777	32,453,475
e Others (Scrap/Waste)	4,750,212	5,363,733
<b>TOTAL</b>	<u>219,394,970</u>	<u>430,033,184</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.

<b>NOTE NO. 14</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
a Outstanding for a period exceeding six months from the date they are due for payment	2,353,016,923	49,172,855
b Outstanding for a period not exceeding six months from the date they are due for payment	795,127,968	4,435,016,103
<b>TOTAL</b>	<u>3,148,144,891</u>	<u>4,484,188,958</u>

<b>NOTE NO. 15</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
a Balance with Banks	2,736,211	91,082,617
b Cash in Hand	22,504,310	14,966,300
c Fixed Deposit with banks	-	41,039
d Cheques in Hand	211,344,557	-
e Fixed Deposit as Margin money	32,970,416	34,092,225
<b>TOTAL</b>	<u>269,555,494</u>	<u>140,182,180</u>



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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	31.03.2014	(Amount in Rs.) 31.03.2013
<b>NOTE NO. 16</b>		
<b>SHORT -TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
a Loans and advances to related parties (Short Term)		
b Others		
Advances recoverable in cash or in kind or for value to be received		
i) Advance to Suppliers	25,190,598	210,996,041
ii) Advance Income Tax - Net of Provision	4,862,713	4,040,161
iii) Excise & Service Tax Balance	56,369,200	60,378,812
iv) Other Advances	200,222,920	164,546,328
<b>TOTAL</b>	<u>286,645,431</u>	<u>439,961,341</u>
Loans and advances include the amounts due from		
Directors-Either severally or jointly	0	0
Other officers of the Company-either severally or jointly	0	0
Firm in which director is a partner	0	0
Private company in which directors is a member	0	0
<b>NOTE NO. 17</b>		
<b>REVENUE FROM OPERATIONS</b>		
a Sale of Products - Inclusive of Excise Duty	3,477,545,167	6,567,693,965
b Sale of Services	-	-
c Other Operating Revenue	8,838,344	3,637,214
(Sale of DEPB)		
Total Revenue	<u>3,486,383,511</u>	<u>6,571,331,179</u>
Less: Excise Duty	4,160,223	2,096,398
<b>TOTAL</b>	<u>3,482,223,288</u>	<u>6,569,234,781</u>
<b>NOTE NO. 18</b>		
<b>OTHER INCOME</b>		
Interest Income	16,404,567	15,908,729
Foreign Exchange Fluctuation	10,497	94,610,786
Foreign Exchange Fluctuation (Export)	-	0
Profit on sale of fixed assets	-	0
Misc income	8,632,315	0
<b>TOTAL</b>	<u>25,047,380</u>	<u>110,519,515</u>
<b>NOTE NO. 19</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw Materials.... I	105,893,102	42,743,345
Purchase of Raw Materials.... II	1,720,807,262	2,312,802,911
Closing Stock Raw Materials.....III	28,579,390	105,893,102
Cost of Raw Material Consumed ( I+II-III )	<u>1,798,120,974</u>	<u>2,249,653,154</u>
<b>NOTE NO. 20</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Purchases	923,210,936	3,413,996,893
<b>TOTAL Purchase</b>	<u>923,210,936</u>	<u>3,413,996,893</u>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 21</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>WORK-IN-PROGRESS &amp; STOCK IN TRADE</b>		
Opening Stock of Finished Goods	240,852,465	103,912,785
Opening Stock of Work-in-Progress	38,072,824	43,223,555
Opening Stock of Stock-in-Trade	7,397,585	111,093,214
Opening Stock of Waste	5,363,733	6,783,109
Sub Total A	<u>291,686,607</u>	<u>265,012,664</u>
Closing Stock of Finished Goods	119,407,326	240,852,465
Closing Stock of Work-in-Progress	29,266,264	38,072,824
Closing Stock of Stock-in-Trade	0	7,397,585
Closing Stock of Waste	4,750,212	5,363,733
Sub Total B	<u>153,423,802</u>	<u>291,686,607</u>
<b>TOTAL ( A-B )</b>	<u>138,262,805</u>	<u>(26,673,943)</u>
<b>NOTE NO. 22</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salary, Wages & Bonus	127,911,450	125,602,174
Contribution to Provident & other Funds	9,169,337	10,258,988
Employee Welfare	2,170,554	2,018,081
Recruitment Expenses	0	191,092
Director Remuneration	0	600,000
Other Personnel Exps	0	1,676,802
Balance	<u>139,251,341</u>	<u>140,347,137</u>
<b>NOTE NO. 23</b>		
<b>FINANCE COSTS</b>		
Interest on Bank Borrowings	405,403,340	351,698,883
Other Interest	23,383,822	28,425,026
Bank Charges & Commission	18,676,952	11,948,949
Fixed Deposit Scheme Expenses	21,607,157	16,539,939
Net Loss on Foreign Currency Transactions/Translation	9,395,867	-
<b>TOTAL</b>	<u>478,467,139</u>	<u>408,612,797</u>
<b>NOTE NO. 24</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	121,130,325	171,026,744
Preliminary Expenses Written Off	147,840	147,840
<b>TOTAL</b>	<u>121,278,165</u>	<u>171,174,584</u>
<b>NOTE NO. 25</b>		
<b>OTHER EXPENSES</b>		
Manufacturing Expenses		
Power & Fuels	275,257,665	210,617,813
Packing Materials Consumed	31,917,571	34,898,244
Machinery Repair & Maintenance	41,457,344	27,765,385
Electric Repair & Maintenance	4,170,570	4,138,136





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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
Other Manufacturing Expenses	3,426,515	871,741
Rent - Air compressor	-	0
<b>Sub Total I</b>	<b>356,229,664</b>	<b>278,291,319</b>
Selling & Distribution Expenses		
Sales Commision	2,658,712	2,996,531
Export Expenses	11,705,490	8,303,766
Freight & Octroi Outward	354,778	825,711
Commission on export	1,136,965	25,665
Freight & Cartage		185,020
Sales Promotion	314,813	885,086
Rebate & Discount	3,574,800	3,023,181
Clearing & Forwarding	80,378	-
Advertisement & Publicity	315,902	363,519
<b>Sub Total II</b>	<b>20,141,837</b>	<b>16,608,479</b>
<b>OTHERS</b>		
<b>Auditor's Remuneration</b>		
<b>Audit Fee</b>	774,794	449,440
Reimbursement of out of Pocket Exps.	3,645	41,220
General Repaire & Maintance	4,915,745	4,132,876
Travelling & Conveyance Expenses	7,049,417	3,209,659
Telephone & Postage	2,106,824	2,404,646
Loading & Unloading Charges	2,131,227	2,006,738
Printing & Stationery	665,204	1,063,472
Legal & Professional Charges	1,592,569	2,961,353
ERP/EDP Maintance Charges	224,392	752,134
Fine & Penalty	151,178	
Insurance	4,289,406	3,589,004
General Expenses	3,057,087	2,531,393
Rent, Rates & Taxes	3,575,036	3,646,014
Charity & Donation	119,656	55,500
Share Trf & Listing Fees	408,992	264,046
<b>Sub Total III</b>	<b>31,065,172</b>	<b>27,107,495</b>
<b>TOTAL OF OTHER EXPENSES</b>	<b>407,436,673</b>	<b>322,007,294</b>

### NOTE NO. 26

#### EARNINGS PER SHARE

i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(499,241,056)	636,380
ii) Weighted Average number of equity shares used as denominator for calculating EPS	45,003,140	45,003,140
iii) Basic Earnings per share after minority interest	9.25	0.01
iv) Diluted Earnings per share	9.25	0.01
iv) Face Value per equity share	10.00	10.00



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

PARTICULARS	(Amount in Rs.)	
	31.03.2014	31.03.2013
<b>NOTE NO. 27</b>		
<b>VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS</b>		
Raw Material	5,128,216	9,148,614
Components and Spare Parts	4,317,355	1,922,661
Capital Goods	-	406,874
<b>TOTAL</b>	<b>9,445,571</b>	<b>11,478,149</b>
<b>NOTE NO. 28</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY</b>		
Foreign Travelling Expenses	223,181	-
Interest on FCNRB Loans	-	14,002,304
GDR Issue/Maintenance Exp	-	-
<b>TOTAL</b>	<b>223,181</b>	<b>14,002,304</b>
<b>NOTE NO. 29</b>		
<b>CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS &amp; COMPONENTS</b>		
Indigenous	1,871,598,443	2,448,011,688
% of Total Consumption	99.50	99.55
Imported	9,445,571	11,071,275
% of Total Consumption	0.50	0.45
<b>TOTAL</b>	<b>1,881,044,014</b>	<b>2,459,082,963</b>
<b>NOTE NO. 30</b>		
<b>EARNING IN FOREIGN EXCHANGE</b>		
Export of Goods- F.O.B. Basis	295,866,241	165,976,190
Interest and Dividend	-	141,021,393
<b>TOTAL</b>	<b>295,866,241</b>	<b>306,997,583</b>

### NOTE NO. 31

#### RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

#### I) List of related parties where control exists and related parties with whom transactions have taken place:

S.No.	Name of the Related Party	Relationship
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 holding & Investment Ltd.*	
6	Mr. Sandeep Jindal	Key Managerial Personnel
7	Mr. Yash Paul Jindal	Key Managerial Personnel
8	Mr. Ramesh Jindal	Key Managerial Personnel
9	Mr. Rajinder Jindal	Key Managerial Personnel
10	Mr. Aman Jindal	Key Managerial Personnel
11	Mr. Sahil Jindal	Key Managerial Personnel
12	Manu Jindal	Relatives of KMP

\* No Transactions have taken place during the year.



# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

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

(Amount in Rs.)

S.No.	Nature of Transactions	Enterprses over which KMP or their relatives are able to exercise significant influence or control	Key Management Personnel	Others	Total
1	Rent Paid	280,000	144,000	-	424,000
	( Prev. Yr.)	144,000	144,000	-	288,000
2	Interest received	-	-	-	-
	( Prev. Yr.)	-	-	-	-
3	Remuneration	-	300,000	459,900	759,900
	( Prev. Yr.)	-	600,000	423,500	1,023,500

#### NOTE NO. 32

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	364,000	448,000
-later than one year and not later than five years	1,456,000	1,632,000
-later than five years	16,114,500	16,657,403
	<u>17,934,500</u>	<u>18,737,403</u>

#### NOTE NO. 33

Actuarial assumptions

	Gratuity (Unfunded)	
	2013-14 1994-96 (Ultimate)	2012-13 1994-96 (Ultimate)
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.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

### NOTE NO. 34

(Amount in Rs.)

#### Segment information for the year ended 31st March, 2014

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

	TEXTILE		WIND MILL		IRON		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenue:</b>								
External (Net of Excise)	3477451675	5144766358	4771613	4459406	0	1420009017	3,482,223,288	6569234781
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	3477451675	5144766358	4771613	5,560,312	0	1430786366	3,482,223,288	6569234781
<b>Result:</b>								
Segment Result	(496342756)	(15928602)	(2414610)	(3,640,248)	0	20205230	(498,757,366)	636,380
Unallocated Expenditure							-	-
Profit before Tax							(498,757,366)	636,380
Provision for Tax/Adjustment of tax for Earlier Years							483,690	2,471,418
Profit After Tax							(499,241,056) -	1,835,038

	TEXTILE		WIND MILL		IRON		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Assets	6,320,555,848	6,480,397,519	44,909,573	48,381,069	2,075,617,593	3,118,358,308	8,441,083,014	9,647,136,895
Segment Liabilities	5,251,671,462	3,053,436,135	23,005,589	23,921,399	156,881,589	1,381,399,798	5,431,558,639	4,458,757,332

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

###### Revenue by geographical market

	INDIA	OUTSIDE INDIA	TOTAL
External	3,190,517,270	295,866,241	3486383511
Prev Year	6,406,464,905	164,866,274	6571331179
Inter-segment	-	-	-
Total	3190517270	295,866,241	3486383511
Total Prev Year	6406464905	164866274	6571331179

##### (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
- Outside India : comprising of sales to customers other than located in India.

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



# Annual Report 2013-14

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014

### NOTE NO. 35

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. 36

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

### NOTE NO. 37

All figures have been rounded off to nearest rupees.

### NOTE NO. 38

Figures in brackets indicate deductions.

### NOTE NO. 39

#### CONTINGENT LIABILITIES AND COMMITMENTS

	31.03.2014	31.03.2013
(To the extent not provided for)		
a Contingent Liabilities		
i) Duty saved upon procurement of machinery pending fulfillment of export obligation	277,248,512	277,715,041
ii) Corporate Guarantee given to Banks for grant of Term Loan and CC Limits to Group Companies	4,902,000,000	4,807,000,000
iii) Bank Guarantee Executed in favor of DGFT Ludhiana/Custom Authorities for fulfillment of export obligation.	20,485,000	45,056,000
b Commitments		
i) Estimated amount of contract remaining to be executed on capital account (net of advances)	1,106,345,242	1,106,345,242
<b>TOTAL</b>	<b>6,306,078,754</b>	<b>6,236,116,283</b>

### NOTE NO. 40

The Institute of Chartered Accountants of India has issued an Accounting Standard – 28 on Impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004. In accordance with the said standards, the company has assessed as on date of applicability of the aforesaid standard and as well as on balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

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

As per our report of even date attached  
**For Raj Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 000203N

**(SANDEEP JINDAL)**  
Chairman & Managing Director

**(RAJINDER JINDAL)**  
Whole Time Director

PLACE : LUDHIANA  
DATE : 30.05.2014

**(ANOOP KUMAR)**  
A.G.M.-Accounts

**(ANIL MALHAN)**  
Company Secretary

**(Raj Gupta)**  
Partner  
M. No.: 017039



# Jindal Cotex Limited

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

1.	Name of the Subsidiary Companies	Jindal Medicot Limited	Jindal Specialty Textiles Limited	Himachal Textile Park Limited	Jindal Metalex Limited	Jindal Infrabiz Limited	Jindal International FZE
2.	Financial Year of the Subsidiary Companies ended on	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
3.	Number of shares held & Face Value	74,00,000 equity shares of Rs. 10/- each	49,50,000 equity shares of Rs. 10/- each	3,80,000 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	(51.35%)	(100%)	(90.79%)	(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	(169,826,428.00)	(82,764,526.00)	--	--	--	(935285.00)
	ii) For previous financial years of subsidiary since it became subsidiary of Jindal Cotex Limited	(458,64,826.00)	(36,254,963.00)	--	--	--	38644154.00
	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	740.00	495.00	38.00	5.00	5.00	126.28
2.	Reserves	839.37	3423.02	0.00	0.00	0.00	3442.39
3.	Total Assets	14345.55	21241.90	6051.32	10.53	6.19	20756.17
4.	Total Liabilities	14345.55	21241.90	6051.32	10.53	6.19	20756.17
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	4907.74	3489.34	0.00	0.00	0.00	0
7.	Profit/(Loss) before taxation	(1698.26)	(827.65)	0.00	0.00	0.00	(9.35)
8.	Provision for Taxation	0.00	0.00	0.00	0.00	0.00	0.00
9.	Profit/(Loss) after taxation	(1698.26)	(827.65)	0.00	0.00	0.00	(9.35)
10.	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00

Place : Ludhiana  
Date : 30.05.2014

**Sandeep Jinda**  
Managing Director

**Rajinder 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)**

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