



**32ND  
ANNUAL REPORT  
2012-2013**

**J. J. AUTOMOTIVE LIMITED**



## J. J. AUTOMOTIVE LIMITED

### 32nd Annual Report 2012-13

- BOARD OF DIRECTORS** : MR. K.P. JHUNJHUNWALA  
MR. KAMAL NAIN SARAF  
MR. ANIL JHUNJHUNWALA  
MR. S.P. MUKHERJEE  
MR. SURJIT SINGH
- AUDITORS** : G.P. AGRAWAL & CO.  
*Chartered Accountants*  
7A, Kiran Shankar Ray Road, Kolkata-700 001
- BRANCH AUDITORS** : 1. **GUWAHATI** : M/S M.L. SHARMA & CO,  
TOKOBARI, S.R.C. B. ROAD, GUWAHATI - 781001  
2. **PATNA & RANCHI** : M/S A. MITRA & ASSOCIATES,  
514, ASHIANA TOWERS, EXHIBITION ROAD, PATNA - 800001  
3. **CUTTACK** : M/S H.K. CHANDAK & CO.  
OSIYA TOWER ANNEX BUILDING, HARIPUR ROAD  
CUTTACK 753001 (ORISSA)
- BANKER** : INDIAN OVERSEAS BANK
- REGISTERED OFFICE** : 25B, PARK STREET, KOLKATA-700 016
- BRANCHES** : 1. RAHMAN COMPLEX EXHIBITION ROAD  
PATNA-800 001, BIHAR  
2. DAS AUTO BAZAR COMPLEX, KEDAR ROAD  
(NEAR RAILWAY GATE NO. - 5)  
GUWAHATI - 781001, ASSAM  
3. SURYA VIHAR, LINK ROAD  
P.O. ARUNODAYA MARKET, CUTTACK - 753012  
4. BANK COLONY ROAD, PISKA MORE,  
RATU ROAD, RANCHI - 834005, JHARKHAND  
5. 17, MASTER DA LANE, ASHRAM PARA  
SILIGURI - 734 401  
6. C/O. KOTHARI METALS  
8 & 9, TILJALA ROAD, KOLKATA - 700046



## NOTICE

Notice is hereby given that the Thirty second Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of July, 2013 at 2.30 P.M. at 25B, Park Street, Kolkata – 700 016 to transact the following business.

### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2013 and the Statement of Profit & Loss for the year ended on that day and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Jhunjunwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. P. Mukherjee, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors including Branch Auditors and fix their remuneration.

For and on behalf of the Board

Registered Office :

25B, Park Street

Kolkata – 700 016

Dated : 27th May, 2013

**Anil Jhunjunwala**

*Director*

**S. P. Mukherjee**

*Director*

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### NOTES :

- a. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a member of the company.
- b. Proxy forms in order to be valid must reach the registered office of the company not less than 48 hours prior to the time for holding the meeting. Proxy forms are sent herewith.
- c. Members holding shares in physical form are requested to notify any change in their address including pin code, Bank mandate, Income Tax Permanent Account Number, etc. to the Company's Registrar and Share Transfer Agents :

**Niche Technologies Pvt. Ltd.**

D-511, Bagree Market, 71, B.R.B. Basu Road

Kolkata – 700001

- d. Members holding shares in dematerialised form are requested to furnish this information to their respective depository participants for updating of the changes.
- e. The register of Members of the Company and Share Transfer Register will remain closed from 22nd July, 2013 to 29th July, 2013 (both days inclusive).
- f. Members are requested to bring their copies of the Annual Report to the meeting.

For and on behalf of the Board

Registered Office :

25B, Park Street

Kolkata – 700 016

Dated : 27th May, 2013

**Anil Jhunjunwala**

*Director*

**S. P. Mukherjee**

*Director*

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## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure to present the 32nd Annual Report and the Audited Accounts of your Company for the year ended 31st March, 2013.

### FINANCIAL RESULTS

Particulars	For the year ended 31st March	
	₹ in lacs	
	2013	2012
<b>Gross Income</b>	<b>16467.23</b>	14911.77
Profit before Depreciation and Tax	<b>198.17</b>	256.36
Depreciation	<b>18.39</b>	17.75
<b>Profit before Tax :</b>	<b>179.78</b>	238.61
Current Tax (Provision)	<b>61.00</b>	80.00
Deferred Tax	<b>(0.94)</b>	(0.82)
Income Tax for earlier year	–	1.01
<b>Profit after Tax</b>	<b>119.72</b>	158.42
Add : Balance brought forward from last year	<b>823.84</b>	688.20
<b>Profit available for appropriation</b>	<b>943.56</b>	846.62
<b>Appropriated as follows :</b>		
Dividend	–	11.00
Dividend Tax	–	1.78
General Reserve	<b>8.00</b>	10.00
<b>Balance carried to Balance Sheet</b>	<b>935.56</b>	823.84

### INDUSTRY SCENARIO

The financial year was particularly challenging on account of slowdown in industrial activity, increased inflation & global recessionary trends. The lower economic growth, rising fuel prices & higher lending rates have adversely impacted the growth of the Automobile sector.

### PERFORMANCE

Your Company has registered total turnover of ₹1569 million, thereby showing a moderate growth over ₹ 1424 million in 2011-12. However, the Profit for the year has declined due to increase in interest & employee cost, because of the Network Expansion taken up by your company.

### BUSINESS OVERVIEW

The growth in Automobile business has experienced a normal growth of sales in automobiles. Auto component business has seen a growth, due to proper supports from the manufacturers and regular demand from the trade is more or less maintained. The growth of



component business is expected to be bullish as stringent emission rules are implemented across the country and vehicles will have to maintain the emission level within the allowable limit and therefore necessary replacement of components are must. Periodical maintenance of vehicles is also necessary to make it road worthy and to get the fitness certificate of commercial vehicles every year. Products of organised sector are more in demand than earlier period due to requirement of quality components.

However, after the decontrol of petrol prices the sale of petrol driven vehicles have seen sharp dip as customers are choosing to buy more diesel variants due to the price benefit. Due to increase in rate of inflation, interest rate of all the Banks has increased and result of which is reflected as below average from potential customers. Competition in trade with high interest cost has made it difficult to achieve a better margin and bottom line in the company in the financial year 2012-13 as compared to 2011-12.

Eco-friendly vehicles are introduced by companies along with conventional petrol & diesel engine which has shown growth in the market and is poised for a better demand in near future. Such LPG or Petrol compatible engines possess very strict emission control thereby giving a cleaner atmosphere.

### **BUSINESS EXPANSION & FUTURE PROSPECTS**

Your company strives to be the forefront player & aims at developing new outlets to meet the emerging needs of its customers. The company enjoys a significant share of highly competitive B Segment Vehicle and Spare Parts in States of Eastern India and is confident that with its aggressive sales & marketing efforts and its efficient services, company will be able to augment its market share in the coming years. It continued to build on its in-house capabilities & adoption of new techniques for better customer satisfaction. In this direction, your Company has added one showroom in Guma at 24 Pgs (N). With 5 showrooms, 1 Advantage & 6 Branches for auto components, the Company is now better poised to accept new challenges & take full advantage of favourable market conditions. The company expects to increase its market share in order to sustain its growth in coming years.

### **FINANCE**

To meet the challenges of the daunting Environment, your company continued to focus on managing cash efficiently & ensured that it had adequate liquidity & back up lines of credit.

During the year the company continued to make investments for capacity expansion & technology up gradation. Besides using internal accruals, the Company focused on augmenting resources through cost effective sources. Accordingly the company has brought an issue of 6% 1.30 Crores Non Cumulative Redeemable Preference Shares (NCRP) of ₹ 10/- each on private placement basis which will be redeemed within 20 years at the option of the Company at a premium of ₹ 1/- per share per year shares held. Out of these, only 0.85 Crores NCRP have been subscribed by the shareholders & the same has been issued by your Company.

### **DIVIDEND**

To retain the profit, to be utilized towards future expansion & growth plans, your Board of Directors are not recommending any dividend for the financial year ended 31.03.2013. This will create Long term wealth for the shareholders of the Company.

### **EMPLOYEES**

Your Company believes that employees constitute its core strength & continued to focus on developing & nurturing talent through a robust performance management & talent development system during the year under review.

### **DEPOSITS**

As on 31st March, 2013 the Company had no deposits as Public Deposit. The Company has not received public deposit during the financial year.



## **DIRECTORS**

Mr. Anil Jhunjunwala and Mr. S. P. Mukherjee, Directors of the Company retire by rotation under Article 142 & 143 of the Articles of Association of the Company at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

**Pursuant to Section 217 (2AA) of the Companies Act, 1956. Your Directors confirmed that :**

- a) In preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there is no material departure from the same.
- b) The Directors had selected the accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- c) The Directors have taken proper and 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 and detecting fraud and other irregularities; and
- d) The Directors have prepared the Annual Accounts on a going concern basis.

## **PARTICULARS OF EMPLOYEES**

There are no employees falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 (as amended).

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company does not have any activities relating to conservation of Energy or Technology absorption. The Company neither had foreign exchange earnings nor had any foreign exchange outgo.

## **AUDITORS**

The Auditors of your Company M/s G.P. Agrawal & Co., Chartered Accountants retire from office in the forthcoming Annual General Meeting and being eligible have offered themselves for reappointment.

M/s M.L. Sharma & Co., Chartered Accountants, auditor of the Guwahati Branch retire at the ensuing Annual General Meeting and being eligible have offered themselves for re- appointment.

M/s A. Mitra & Associates, Chartered Accountants, auditor of the Patna & Ranchi Branch retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

M/s H.K.Chandak & Co., Chartered Accountants, auditor of the Cuttack Branch retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

M/s P.C. Maskara & Co, Chartered Accountants, is to be appointed as the Auditor of the Siliguri Branch in the ensuing Annual General Meeting, subject to the approval of Shareholders.

## **COMPLIANCE CERTIFICATE UNDER THE COMPANIES ACT, 1956**

A Certificate issued by Mr. Ashish Bubna, Company Secretary in terms of provision of Section 383A of the Companies Act, 1956 to the effect that the company has complied with the applicable provision of the said Act is attached to this report.



### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the continued support that the Company has received from its customers, bankers, shareholders and employees at all levels.

### **DISCLOSURE PURSUANT TO LISTING AGREEMENT**

Necessary disclosures pursuant to listing agreement is made in Annexure 'A' to its Report.

For and on behalf of the Board

Registered Office :  
25B, Park Street  
Kolkata – 700 016  
Dated : 27th May, 2013

**Anil Jhunjhunwala**  
*Director*

**S. P. Mukherjee**  
*Director*

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### **ANNEXURE "A" TO THE DIRECTORS REPORT**

The Company's shares are listed in the following Stock Exchanges

1. The Calcutta Stock Exchange Ltd.  
7, Lyons Range  
Kolkata – 700 001
2. The Guwahati Stock Exchange Ltd.  
2nd Floor Shine Towers  
S.J. Road, Rehabari  
Guwahati - 781008

The Listing fees to these stock exchanges have been paid for the financial year 2013-14.



## COMPLIANCE CERTIFICATE

**CIN** : L34103WB1981PLC033996  
**Authorised Capital** : ₹ 15,00,00,000.00  
**Paid-up Capital** : ₹ 9,60,00,000.00

To

The Members,

**J J Automotive Ltd.**

25B, Park Street, Kolkata-700 016

I have examined the registers, records, books and papers of **M/S. J J Automotive Ltd.** (the 'Company') as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2013** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company had duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company, the provisions of section 3(1)(iii) of the Act are not applicable.
4. The Board of Directors duly met 8 (Eight) times respectively on 10.05.2012, 09.06.2012, 11.08.2012, 30.08.2012, 28.09.2012, 08.11.2012, 07.12.2012 and 31.01.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. No circular resolutions were passed during the financial year.
5. The Company had closed its Register of Members from 21.09.2012 to 28.09.2012 (both days inclusive) as per Section 154 of the Act.
6. The Annual General Meeting for the financial year ended 31.03.2012 was held on 28.09.2012 and after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra-Ordinary General Meeting was held during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to in section 295 of the Act.
9. The Company has entered into contract falling within the purview of section 297 of the Act.





10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there was no instance falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government
12. The Company has not issued any duplicate certificates during the financial year.
13. (i) The Company has delivered all the certificates on allotment or lodgment thereof for transfer in accordance with the provisions of the Act. There was no transmission of securities during the financial year.  
(ii) The Company had deposited the amount of dividend declared by it in a separate Bank Account.  
(iii) There is a balance of ₹ 3, 83, 800.00 in unclaimed/unpaid dividend account; but no application money due for refund; matured deposits; matured debentures and interest accrued thereon.  
(iv) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional directors, Alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued 6% 1,30,00,000 Non-Cumulative Redeemable Preference Shares @ ₹10/- Per Shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The borrowings made by the company during the year are within the limits and as such no resolution was required to be passed under section 293 of the Act.
25. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporate in contradiction with the provisions of the Act.



26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company had deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Kolkata  
Date : 27th day of May, 2013

**ASHISH BUBNA**  
*Company Secretary*  
C.P. No.: 3569



**Annexure 'A'**

Sl.	Registers as maintained by the Company	
1	Register of Transfers/Transmission/Sub-division	Under section 108
2	Register of Members	Under section 150
3	Minute books for minutes of proceedings of General Meetings and of Board meetings	Under section 193
4	Books of Accounts	Under section 209
5	Register of Directors	Under section 303
6	Register of Contracts in which Directors are interested	Under section 301
7	Register of Director's Shareholding	Under section 307
8	Register of Directors attendance at the meeting of the Board	Under regulation 71 of Table A to Schedule I of the Act
9	Register of Fixed Assets	As required under the <i>Companies (Auditors Report) Order, 2003</i>

**Annexure 'B'**

**Forms and Returns as filed by the Company with Registrar of Companies - Regional Director - Central Government or other authorities during the Financial Year ended 31st March, 2013**

Sl.	Form No. Return	Filed under section	For	Date of E-filing	Whether filed within prescribed time? Yes/No	If delay in filing, whether requisite additional fee paid? Yes/No
1	Form 66 (Compliance Certificate)	383A	31/03/2012	01-Oct-2012	Yes	N.A.
2	Form 23AC (Balance Sheet) and Form 23ACA (Profit & Loss A/c)	220	Year Ended 31st March 2012	01-Jan-2013	Yes	N.A.
3	Form 20B (Annual Return)	159	AGM held on 28th.-Sep-2012	20-Nov-2012	Yes	N.A.
4	Form No. 5 ( Notice of increase in Capital)	94	01/01/2013	08-Jan-2013	Yes	N.A.
5	Form No. 5 (Notice of increase in Capital)	94	01/01/2013	10-Jan-2013	Yes	N.A.
6	Form No. 23 (Special resolution)	192	01/01/2013	10-Jan-2013	Yes	N.A.
7	Form No. 2 (Return of Allotment of shares)	75	31/01/2013	01-Feb-2013	Yes	N.A.

Place : Kolkata  
Date : 27th day of May, 2013

**ASHISH BUBNA**  
Company Secretary  
C.P. No.: 3569



## INDEPENDENT AUDITORS' REPORT

to the Members of J. J. Automotive Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **J. J. Automotive Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2013**, 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"). 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.

### Auditor's 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit 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 and proper returns adequate for the purposes of audit has been received from the Guwahati, Cuttack, Ranchi, and Patna Branches, which have been audited by other auditors, not visited by us;
  - 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 and with the returns received from the Guwahati, Cuttack, Ranchi and Patna Branches, which have been audited by other auditors, not visited by us;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**Other Matters**

The financial statements of Guwahati, Cuttack, Ranchi and Patna Branches have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of other matters.

For **G. P. Agrawal & Co.**

*Chartered Accountants*

F.R.No. 302082E

**(CA Sourav Choudhary)**

*Partner*

Membership No. 300768

7A, KIRAN SHANKAR RAY ROAD

KOLKATA - 700 001

DATED : 27th May, 2013.



## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Auditor's Report to the members of **J. J. Automotive Limited** on the Accounts for the year ended 31st March, 2013.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the year. Therefore this clause is not applicable.
- ii) a) The inventories other than in transit, have been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) a) The Company has not granted loans, secured or unsecured, to company, firm or other parties covered in the register maintained under section 301 of Act.
- b) As the Company has not granted loans, secured or unsecured, to company, firm or other parties covered in the register maintained under section 301 of Act, the provision of clause (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- c) The Company has taken unsecured loans from 2 companies covered in the register, maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 14,02,85,191/- and the year-end balance of loans taken from such parties was ₹ 19,400,000/-.
- d) In our opinion and according to the information given to us, the rate of interest and other terms and conditions of the unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- e) As explained to us, loans taken are repayable on demand and have been repaid as and when demanded.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system, commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- v) a) Based on the audit procedure applied by us and in our opinion and according to the information and explanations given to us, 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 according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



- vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA and any other relevant provisions of the Act, and the rules framed there-under.
- vii) In our opinion, the company has an internal audit system commensurate with size of the company and the nature of business.
- viii) We have been informed, that the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Act for any of the products of the Company.
- ix) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- b) The disputed statutory dues aggregating to ₹ 53,308,982/- that have been not deposited on account of matters pending before appropriate authorities are as under :

Sl. No.	Name of the Statute	Nature of the dues	Amount(₹)	Period to which the amount relate	Forum where the dispute is pending
1.	West Bengal Sales Tax Act, 1994	West Bengal Sales Tax	1,04,11,699	2003-04	Special Commissioner of Sales Tax, Kolkata
2.	West Bengal Sales Tax Act, 1994	Central Sales Tax	14,506	2003-04	Special Commissioner of Sales Tax, Kolkata
3.	West Bengal Sales Tax Act, 1994	West Bengal Sales Tax	1,30,59,745	2004-05	Appellate Revision Board of Sales Tax , Kolkata
4.	West Bengal Value added Tax Act, 2003	Vat	6,28,295	2005-06	Appellate Revision Board of Sales Tax, Kolkata
5.	West Bengal Value added Tax Act, 2003	VAT	1,08,02,131	2008-09	Appellate Revision Board of Sales Tax
6.	West Bengal Sales Tax Act, 1994	Central Sales Tax	12,543	2008-09	Appellate Revision Board of Sales Tax
7.	West Bengal Value added Tax Act, 2003	VAT	1,76,81,659	2009-10	Sr. Joint Commissioner of Sales Tax, Kolkata.
8.	West Bengal Sales Tax Act, 1994	Central Sales Tax	1,654	2009-10	Sr. Joint Commissioner of Sales Tax, Kolkata.
9.	The Finance Act,1994	Service Tax	6,96,750	July, 2003 to March, 2006	Commissioner of Central Excise, (Appeal-I),Kolkata
		<b>Total</b>	<b>53,308,982</b>		

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) The Company has not defaulted in payment of dues to bank. The Company does not have dues to financial institution or debenture holder.



- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in securities. The Company has maintained proper records of transactions and contracts in respect of investments in shares and securities and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institution.
- xvi) In our opinion, and according to the information and explanations given to us, the term loan has been applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and overall examination of the balance sheet of the Company, we report that no fund raised on short term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the preferential allotment of preference shares made during the year to parties covered in the register maintained under section 301 of the Act are not prejudicial to the interest of the Company.
- xix) The Company has not issued any debenture.
- xx) The Company has not raised any money during the year by public issue.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.

**For G. P. Agrawal & Co.**

*Chartered Accountants*

F.R.No. 302082E

**(CA Sourav Choudhary)**

*Partner*

Membership No. 300768

7A, KIRAN SHANKAR RAY ROAD

KOLKATA - 700 001

DATED : 27th May, 2013.





## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' fund</b>			
(a) Share capital	2	96,000,000	11,000,000
(b) Reserves and surplus	3	126,641,747	114,669,306
		<b>222,641,747</b>	<b>125,669,306</b>
<b>(2) Non-current liabilities</b>			
Long-term borrowings	4	43,364,128	7,586,130
		<b>43,364,128</b>	<b>7,586,130</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	5	116,197,127	153,981,419
(b) Trade payables	6	41,537,210	41,154,620
(c) Other current liabilities	7	45,035,998	37,936,174
(d) Short-term provisions	8	—	1,278,448
		<b>202,770,335</b>	<b>234,350,661</b>
<b>Total</b>		<b>468,776,210</b>	<b>367,606,097</b>
<b>II. ASSETS</b>			
<b>(1) Non current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	45,643,274	45,397,901
(ii) Capital work-in-progress	9	91,810,292	13,873,013
		<b>137,453,566</b>	<b>59,270,914</b>
(b) Non current investments	10	2,526,758	2,640,868
(c) Deferred tax assets	11	503,755	409,559
(d) Long-term loans and advances	12	9,336,656	10,266,477
(e) Other non-current assets	13	2,000,000	—
		<b>151,820,735</b>	<b>72,587,818</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	132,849,584	141,252,895
(b) Trade receivables	15	135,652,411	105,443,534
(c) Cash and bank balances	16	9,146,384	5,818,189
(d) Short term loans and advances	17	8,885,395	17,314,160
(e) Other current assets	18	30,421,701	25,189,501
		<b>316,955,475</b>	<b>295,018,279</b>
<b>Total</b>		<b>468,776,210</b>	<b>367,606,097</b>
SIGNIFICANT ACCOUNTING POLICIES	1		
OTHER DISCLOSURES	27		

The accompanying notes 1 to 27 are an integral part of the financial statement.

As per our report of even date attached

**For G.P. Agrawal & Co.**  
Chartered Accountants  
F.R. No. 302082E

**(CA SOURAV CHOUDHARY)**  
Partner  
Membership No.300768  
7A, Kiran Shankar Roy Road  
Kolkata -700 001  
Dated : 27th May, 2013

For and on behalf of the Board

<b>K. P. Jhunjhunwala</b> Director	<b>Anil Jhunjhunwala</b> Director
<b>S. P. Mukherjee</b> Director	<b>Surjit Singh</b> Director
	<b>Kamal Nain Saraf</b> Director



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
<b>I. Revenue from operations</b>	19		
Sale of goods		1,568,634,118	1,423,761,869
Other operating revenue		63,221,502	59,316,907
Revenue from operations		1,631,855,620	1,483,078,776
<b>II. Other income</b>	20	14,867,347	8,098,137
<b>III. Total Revenue (I+II)</b>		1,646,722,967	1,491,176,913
<b>IV. Expenses</b>			
Purchases of traded goods	21	1,497,522,109	1,376,094,472
Changes in inventories of stock in trade	22	8,403,311	(17,155,254)
Employee benefits expense	23	30,728,771	26,171,515
Finance costs	24	21,964,018	18,722,560
Depreciation and amortization expense	9	1,839,459	1,775,449
Other expenses	25	68,287,054	61,707,034
<b>Total Expenses</b>		1,628,744,722	1,467,315,776
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		17,978,245	23,861,137
<b>VI. Exceptional items</b>		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		17,978,245	23,861,137
<b>VIII. Extra-ordinary items</b>		-	-
<b>IX. Profit before tax (VII - VIII)</b>		17,978,245	23,861,137
<b>X. Tax expense :</b>			
Current tax		6,100,000	8,000,000
Deferred tax		(94,196)	(82,344)
Income tax for earlier years		-	101,537
		6,005,804	8,019,193
<b>XI. Profit for the year (IX -X)</b>		11,972,441	15,841,944
<b>XII. Earnings per equity share - Basic &amp; diluted (₹)</b> (Face value ₹ 10/- each)	26	10.88	14.40
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>OTHER DISCLOSURES</b>	27		

The accompanying notes 1 to 27 are an integral part of the financial statement.

As per our report of even date attached

**For G.P. Agrawal & Co.**  
Chartered Accountants  
F.R. No. 302082E

**(CA SOURAV CHOUDHARY)**  
Partner  
Membership No.300768  
7A, Kiran Shankar Roy Road  
Kolkata -700 001  
Dated : 27th May, 2013

For and on behalf of the Board

**K. P. Jhunjhunwala**  
Director

**Anil Jhunjhunwala**  
Director

**S. P. Mukherjee**  
Director

**Surjit Singh**  
Director

**Kamal Nain Saraf**  
Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31st March 2013	Year ended 31st March 2012
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	<b>17,978,245</b>	23,861,137
Adjusted for :		
Depreciation and amortisation expense	1,839,459	1,775,449
Dividend Income	(22,623)	(19,300)
Finance Cost	21,964,018	18,622,560
Interest Income	(646,536)	(1,012,184)
Loss on sale of non-current investments	-	208,650
Liabilities no longer required write back	(1,311,023)	(83,717)
Bad Debts written off	165,060	64,295
Profit on sale of Tangible Fixed Assets	-	(13,292)
Loss on sale of Tangible Fixed Assets	-	4,900
Provision for diminution in value of investments	114,110	121,645
	<b>22,102,465</b>	19,669,006
<b>Operating Profit before Working Capital Changes</b>	<b>40,080,710</b>	43,530,143
Adjusted for :		
Increase in trade payables	382,590	430,870
Increase in other current liabilities	9,024,317	2,018,567
(Increase)/decrease in inventories	8,403,311	(17,155,254)
(Increase) in trade receivables	(30,208,877)	(12,984,422)
(Increase)/decrease in long term and short term loans and advances	9,891,438	(7,589,216)
(Increase) in other current assets	(5,451,992)	(1,587,497)
	<b>(7,959,213)</b>	(36,866,952)
Cash generated from operations	<b>32,121,497</b>	6,663,191
Direct taxes paid (net of refund)	(6,632,852)	(8,740,318)
Cash flow before exceptional and extraordinary items	<b>25,488,645</b>	(2,077,127)
Exceptional/extraordinary items	-	-
<b>Net Cash (used in)/generated from operating activities</b>	<b>25,488,645</b>	(2,077,127)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to Tangible Fixed Assets	(2,084,832)	(3,226,236)
Additions to Capital Work in Progress	(77,937,279)	(12,268,608)
Sale of Tangible Fixed Assets	-	137,302
Deposits under lien with banks	-	(200,000)
Proceeds from sale of Non-Current Investments	-	912,995
Interest Received	683,992	913,210
Dividend Received	22,623	19,300
	<b>(79,315,496)</b>	(13,712,037)
<b>Net Cash used in investing activities</b>	<b>(79,315,496)</b>	(13,712,037)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

	Year ended 31st March, 2013	Year ended 31st March, 2012
	₹	₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Preference Shares	85,000,000	-
Repayment of Short Term Borrowings- Cash Credit	(9,668,652)	(9,499,875)
Proceeds/(repayment) of Short Term Borrowing-Unsecured Loan	(28,115,640)	32,450,000
Proceeds from Long Term Borrowing-Term Loan	35,777,998	7,586,130
Finance Cost Paid	(22,577,490)	(12,048,340)
Dividend Paid	(1,100,000)	(1,650,000)
Dividend distribution tax paid	(178,448)	(267,672)
	<u>59,137,768</u>	<u>16,570,243</u>
<b>Net Cash generated from financing activities</b>	<b>59,137,768</b>	<b>16,570,243</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>5,310,917</b>	<b>781,079</b>
Opening Cash and Cash Equivalents	<u>3,223,550</u>	<u>2,442,471</u>
<b>Closing Cash and Cash Equivalents (Refer Note No.16)</b>	<b><u>8,534,467</u></b>	<b><u>3,223,550</u></b>

### Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.
- Proceeds/(repayment) of short term borrowings have been shown on net basis.
- Figure in brackets represent cash outflow.
- Cash & cash Equivalents do not include any amount which is not available to the Company for its use.
- As breakup of Cash & cash equivalents is also available in Note No.16, reconciliation of items of Cash & cash equivalents as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

As per our report of even date attached

**For G.P. Agrawal & Co.**  
Chartered Accountants  
F.R. No. 302082E

**(CA SOURAV CHOUDHARY)**  
Partner  
Membership No.300768  
7A, Kiran Shankar Roy Road  
Kolkata -700 001  
Dated : 27th May, 2013

For and on behalf of the Board

<b>K. P. Jhunjunwala</b> Director	<b>Anil Jhunjunwala</b> Director
<b>S. P. Mukherjee</b> Director	<b>Surjit Singh</b> Director
	<b>Kamal Nain Saraf</b> Director



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

### Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) and the other relevant provisions of the Companies Act, 1956.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of operations and time between procurement of goods and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 1.2 REVENUE RECOGNITION

- a) Sale of Goods is recognized upon transfer of significant risk and rewards to the buyer.
- b) Sale is exclusive of VAT.
- c) Other Incomes are accounted for on accrual basis.
- d) Dividend income is recognised when the Company's right to receive dividend is established.

#### 1.3 FIXED ASSETS AND DEPRECIATION

##### A. Fixed Assets

Fixed Assets are valued at their original cost of acquisition including all related expenses of installation and borrowing cost attributable to qualifying assets up to the date, the asset is put to use less depreciation.

##### B. Capital Work-in-Progress

Capital work in progress is stated at cost and includes development and other expenses including interest during construction period.

##### C. Depreciation & Amortisation

Depreciation on fixed assets is provided on written down value basis at the rates as prescribed in schedule XIV to the Companies Act, 1956 as revised vide circular dated 16th December, 1993. In respect of additions to assets during the accounting year, depreciation for full year irrespective of the date of such addition is charged and no depreciation is charged on assets sold during the year.

#### 1.4. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### 1.5 INVESTEMENTS

Investments that are intended to be held for not more than one year are classified as current investments. All other investments are classified as long term investments/non-current investments.

Investments being long term /non-current in nature are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non current investments, script wise.



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 *(Contd.)*

### 1.6 INVENTORIES

Inventories are valued at lower of cost or net realizable value. The cost of inventories is computed on the weighted average basis. The cost of inventories includes freight and other costs incurred in bringing the inventories to their present location and condition.

### 1.7. EMPLOYEE BENEFITS

(a) Short – term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

### 1.8. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### 1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank and on hand, including cheques on hand. The Company considers highly liquid investments, which are readily convertible into cash, to be cash equivalents.

### 1.10 TAXES ON INCOME

Income tax expense comprises current tax and deferred tax charge. Current tax is provided on the basis of provision of the Income Tax Act, 1961. Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset will be realized. Such assets are reviewed as at Balance Sheet date to reassess realisability thereof.

### 1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of obligations where, based on the evidence available, their existence as at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of notes to the Accounts in respect of obligation where, based on the evidence as at the Balance Sheet date their existence is considered not probable.

Contingent assets are not recognized in the Accounts.

### 1.12 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

<b>Particulars</b>	<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>	
	<b>No. of shares</b>	<b>Amount ₹</b>	<b>No. of shares</b>	<b>Amount ₹</b>
<b>Note : 2 Share Capital</b>				
(i) <b>Authorised :</b>				
Equity Shares of ₹ 10/- each	<b>2,000,000</b>	<b>20,000,000</b>	5,000,000	50,000,000
Preference Shares of ₹ 10/- each	<b>13,000,000</b>	<b>130,000,000</b>	—	—
		<b>150,000,000</b>		<b>50,000,000</b>
(ii) <b>Issued :</b>				
Equity Shares of ₹ 10/- each	<b>1,100,000</b>	<b>11,000,000</b>	1,100,000	11,000,000
6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	<b>13,000,000</b>	<b>130,000,000</b>	—	—
		<b>141,000,000</b>		<b>11,000,000</b>
(iii) <b>Subscribed and Paid-up :</b>				
Equity Shares of ₹ 10/- each fully paid up	<b>1,100,000</b>	<b>11,000,000</b>	1,100,000	11,000,000
6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	<b>8,500,000</b>	<b>85,000,000</b>	—	—
		<b>96,000,000</b>		<b>11,000,000</b>
(iv) <b>Reconciliation of the number of Preference Shares Outstanding :</b>				
	<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>	
	<b>No. of shares</b>	<b>Amount ₹</b>	<b>No. of shares</b>	<b>Amount ₹</b>
<b>Number of Shares outstanding at the beginning of the year</b>	—	—	—	—
Add : Number of shares allotted during the year	<b>8,500,000</b>	<b>85,000,000</b>	—	—
<b>Number of Shares outstanding at the end of the year</b>	<b>8,500,000</b>	<b>85,000,000</b>	—	—

(v) **Terms & Rights attached to each class of share capital**  
**Equity Shares**

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts and payment to Preferential shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders.

**6% Non Cumulative Redeemable Preference Shares**

The Company has only one class of preference shares i.e. 6% Non Cumulative Redeemable Preference Shares (NCRP) having a par value of ₹ 10/- per share.

- Such Shares confer on the holders thereof, the right to a fixed preferential dividend @ 6% per annum from the date of allotment, on the capital for the time being allotted, as and when declared
- Such Shares shall carry preferential right for repayment of the Capital on the winding up of the Company, in priority to the equity Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.
- The holders of such Shares shall not have the right to vote at any meeting of the Company save to the extent and in the manner provided in Section 87 the Companies Act, 1956, whenever applicable.
- The shares are redeemable at the option of the Company at any time within 20 years from the date of allotment alongwith a premium of ₹ 1/- per share for each completed year from the date of allotment.



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

### Note : 2 Share Capital (Contd.)

(vi) The details of Equity shareholders holding more than 5% Equity Shares as at 31.03.2013 and 31.03.2012 are given below :

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% of Holding	No. of shares	% of Holding
J. J. Projects Pvt. Ltd.	175,700	15.97	175,700	15.97
A. K. Jhunjhunwala	59,400	5.40	59,400	5.40
Kanaklata Jhunjhunwala	74,800	6.80	74,800	6.80
Brand Equity Private Limited	57,000	5.18	57,000	5.18

(vii) The details of Preference shareholders holding more than 5 % Preference Shares as at 31.03.2013 and 31.03.2012 are given below :

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% of Holding	No. of shares	% of Holding
K. P. Jhunjhunwala	750,000	8.82	—	—
Anil Jhunjhunwala	750,000	8.82	—	—
Anil Jhunjhunwala (As karta of A. K. Jhunjhunwala - HUF)	750,000	8.82	—	—
J. J. Finance Corporation Ltd.	1,000,000	11.76	—	—
J. J. Projects Pvt. Ltd.	5,000,000	58.82	—	—

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	₹		₹	
<b>Note : 3 Reserve &amp; Surplus</b>				
<b>Securities Premium Account</b>				
As per last account	24,500,000		24,500,000	
<b>General Reserve</b>				
As per last account	7,785,660		6,785,660	
Add : Transferred from Statement of Profit and Loss	800,000		1,000,000	
	8,585,660		7,785,660	
<b>Surplus in the Statement of Profit and Loss</b>				
Balance as per last Account	82,383,646		68,820,150	
Add : Profit for the year	11,972,441		15,841,944	
Surplus available for Appropriations	94,356,087		84,662,094	
<b>Less : Appropriations</b>				
Transferred to General Reserve	800,000		1,000,000	
Proposed Dividend	—		1,100,000	
Tax on Proposed Dividend	—		178,448	
	93,556,087		82,383,646	
	126,641,747		114,669,306	

### Notes :

- General Reserve is a free reserve and can be utilised for any general purpose viz. issue of bonus shares, payment of dividend, buyback of shares etc.
- During the year ended 31st March, 2012 dividend ₹ 1/- per equity share was recognised as distribution to equity shareholders. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 12,78,448/- including corporate dividend tax of ₹ 1,78,448/-





**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

<u>Particulars</u>	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
	₹	₹
<b>Note : 4 Long-term borrowings</b>		
Term Loan		
From a Bank (Secured)	<b>49,034,128</b>	7,586,130
Less : Current maturities of Term Loan (Refer Note - 9)	<b>5,670,000</b>	–
	<b>43,364,128</b>	7,586,130
<small>(Term loan from Indian Overseas Bank is secured by equitable mortgage of land &amp; building and hypothecation of entire project (Project at Rajarhat, Kolkata) assets by way of exclusive first charge and guaranteed by two directors of the Company. Interest is paid monthly @ Base Rate + 4.00% and the repayment of Principal will start from February, 2014 by way of 60 monthly instalment of ₹ 28,35,000/- each).</small>		
	<b>43,364,128</b>	7,586,130
<b>Note : 5 Short-term borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Unsecured</b>		
Loans from related parties	<b>19,400,000</b>	47,515,640
Intercorporate deposits	<b>11,700,000</b>	11,700,000
<b>Other Loans</b>		
Working capital loan		
From Bank (Secured)	<b>85,097,127</b>	94,765,779
<small>(Secured by pari-passu hypothecation of the Company's entire stock in trade including stock in transit, book debts both present and future and other current assets of the company by way of exclusive first charge and guaranteed by two directors of the Company).</small>		
	<b>116,197,127</b>	153,981,419
<b>Note : 6 Trade payables</b>		
Total outstanding dues of other than Micro and Small Enterprises	<b>41,537,210</b>	41,154,620
	<b>41,537,210</b>	41,154,620
<b>Note :</b>		
<small>The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under regarding registration under Micro, Small and Medium Enterprises Development Act, 2006" for claiming their status as micro, small or medium enterprises as at 31st March, 2013. Therefore, there are no dues outstanding to Micro, Small and Medium Enterprises (Previous year Nil).</small>		
<b>Note : 7 Other current liabilities</b>		
Current maturities of Term Loan (Refer Note - 9)	<b>5,670,000</b>	–
Interest accrued and due on borrowings	<b>10,873,505</b>	11,486,975
Unpaid dividend*	<b>383,800</b>	366,525
Other payables		
Advance from customers	<b>10,434,203</b>	10,491,120
Trade deposits	<b>1,569,687</b>	1,395,687
Unpaid salaries and other payroll dues	<b>1,162,228</b>	1,713,499
Statutory liabilities	<b>9,095,803</b>	6,614,581
Accrued expenses	<b>5,308,638</b>	4,134,215
Others	<b>538,134</b>	1,733,572
	<b>28,108,693</b>	26,082,674
	<b>45,035,998</b>	37,936,174

\*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund under Section 205C of the Companies Act, 1956.



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
<b>Note : 8 Short term provisions</b>		
Provision for proposed dividend	-	1,100,000
Provision for tax on proposed dividend	-	178,448
	-	1,278,448

**Note No. : 9 Fixed Assets**

(Amount ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2012	Additions during the year	Deductions during the year	Total cost as at 31.03.2013	Upto 01.04.2012	Provided during the year	Adjustment during the year	Total upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible assets</b>										
Land - Freehold	38,654,517	-	-	38,654,517	-	-	-	-	38,654,517	38,654,517
Premises	737,991	-	-	737,991	548,351	9,482	-	557,833	180,158	189,640
Vehicles	7,066,988	609,007	-	7,675,995	6,158,574	392,860	-	6,551,434	1,124,561	908,414
Air- Conditioner	1,692,845	322,592	-	2,015,437	915,511	153,000	-	1,068,511	946,926	777,334
Furniture and Fixture	4,347,569	501,562	-	4,849,131	2,445,977	439,899	-	2,885,876	1,963,255	1,901,592
U.P.S. & Voltage Stabiliser	319,959	62,450	-	382,409	217,330	22,814	-	240,144	142,265	102,629
Generator	185,759	-	-	185,759	142,403	6,031	-	148,434	37,325	43,356
Bi-Cycle	12,624	3,410	-	16,034	7,255	1,756	-	9,011	7,023	5,369
Refrigerator	22,966	-	-	22,966	14,957	1,113	-	16,070	6,896	8,009
Tool & Equipments	6,585,447	190,601	-	6,776,048	5,074,158	245,192	-	5,319,350	1,456,698	1,511,289
Data Processing Machine	7,107,928	319,094	-	7,427,022	6,272,520	492,943	-	6,765,463	661,559	835,408
Type Writer	42,644	-	-	42,644	41,680	134	-	41,814	830	964
Fax Machine	69,323	-	-	69,323	59,171	1,412	-	60,583	8,740	10,152
T.V. & V.C.R.	310,498	42,450	-	352,948	159,829	26,863	-	186,692	166,256	150,669
Electric Motor	84,719	-	-	84,719	22,578	8,393	-	30,971	53,748	62,141
Xerox Machine	46,223	-	-	46,223	11,965	4,765	-	16,730	29,493	34,258
Telephone & Inter-Com	391,442	33,666	-	425,108	189,282	32,802	-	222,084	203,024	202,160
<b>Total</b>	<b>67,679,442</b>	<b>2,084,832</b>	<b>-</b>	<b>69,764,274</b>	<b>22,281,541</b>	<b>1,839,459</b>	<b>-</b>	<b>24,121,000</b>	<b>45,643,274</b>	<b>45,397,901</b>
<b>Previous Year Total</b>	<b>65,042,917</b>	<b>3,226,236</b>	<b>589,711</b>	<b>67,679,442</b>	<b>20,966,893</b>	<b>1,775,449</b>	<b>460,801</b>	<b>22,281,541</b>	<b>45,397,901</b>	<b>44,076,024</b>
<b>Capital work-in-progress</b>										
Capital work-in-progress*	<b>13,873,013</b>	<b>77,937,279</b>	<b>-</b>	<b>91,810,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,810,292</b>	<b>13,873,013</b>
Capital work-in-progress (Previous Year)	1,604,405	12,268,608	-	13,873,013	-	-	-	-	13,873,013	1,604,405
<b>Grand Total</b>	<b>81,552,455</b>	<b>80,022,111</b>	<b>-</b>	<b>161,574,566</b>	<b>22,281,541</b>	<b>1,839,459</b>	<b>-</b>	<b>24,121,000</b>	<b>137,453,566</b>	<b>59,270,914</b>
Previous Year Grand Total	66,647,322	15,494,844	589,711	81,552,455	20,966,893	1,775,449	460,801	22,281,541	59,270,914	45,680,429



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

### Note No. : 9 Fixed Assets (Contd.)

\* Capital work -in-progress comprises entirely of Rajarhat Project Work-in-Progress and includes -

<u>Particulars</u>	Year Ended	Year Ended
	31st March, 2013	31st March, 2012
	(₹)	(₹)
<b>Opening Balance</b>	<b>13,873,013</b>	1,604,405
Add : Capital work-in-progress for the year		
Cost of Material & Labour		
- Steel	<b>16,408,032</b>	1,667,653
- Redy Mix Concrete	<b>9,533,916</b>	1,143,295
- Piling	<b>8,464,590</b>	-
- Job Contract	<b>33,393,173</b>	-
Consultancy Fees	<b>5,337,981</b>	2,769,886
Finance Cost	<b>3,145,741</b>	167,149
Administrative & Other Expenses		
- Retainership Fees	<b>275,000</b>	100,000
- Electricity Expenses	<b>377,484</b>	-
- Rates & taxes	-	6,125,335
- Rent	<b>140,500</b>	-
- Testing Fees	<b>17,417</b>	-
- Insurance	<b>53,336</b>	19,290
- Security Guard Charges	<b>200,509</b>	40,806
- Miscellaneous Expenses	<b>589,600</b>	235,194
<b>Closing Capital Work-in-Progress</b>	<b>91,810,292</b>	13,873,013



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

### Note No. 10 : Non-current investments

Particulars	Face Value	As at 31st March, 2013		As at 31st March, 2012	
		Units	₹	Units	₹
<b>Long term</b> (Valued at cost less provision for other than temporary diminution)					
<b>i) Trade investments</b>					
<b>In equity shares of Companies - Fully paid up</b>					
<b>Quoted</b>					
Jullundar Motor (Agencies) Ltd.*	10	150	150	150	625
Maruti Suzuki India Limited	5	200	128,931	200	128,931
Federal Mogul Goetztes (India) Limited	10	1000	112,332	1000	112,332
			<b>241,413</b>		<b>241,888</b>
<b>Unquoted</b>					
Narbheram & Co. Ltd.*	10	1800	1,800	1800	8,100
			<b>243,213</b>		<b>249,988</b>
<b>ii) Other than trade investments</b>					
<b>a. In equity shares of Companies - Fully paid up</b>					
<b>Quoted</b>					
Associate Company					
J.J.Finance Corporation Ltd.	10	27100	227,450	27100	227,450
Other Companies					
Reliance Communications Ltd.*	5	500	27,600	500	42,025
Reliance Industries Ltd.*	10	200	62,350	200	86,720
IFCI Limited*	10	2000	52,200	2000	83,700
Century Textiles and Industries Limited*	10	300	86,115	300	110,655
NOIDA Toll Bridge Company Limited*	10	5000	99,750	5000	112,250
Peninsula Land Limited*	2	1000	32,550	1000	32,550
Larson and Tubro Limited*	2	600	784,110	600	784,110
			<b>1,372,125</b>		<b>1,479,460</b>
<b>Unquoted</b>					
Associate Companies					
J J Projects Private Limited	10	20698	203,420	20698	203,420
Kohinoor Stockbroking Private Limited	10	10000	100,000	10000	100,000
KPJ Estates Private Limited	10	10000	100,000	10000	100,000
Bengal Motor Services Private Limited	10	3500	35,000	3500	35,000
			<b>438,420</b>		<b>438,420</b>
<b>b. In Post Office National Saving Certificates</b>					
(Deposited with Sales tax authorities)					
			<b>5,000</b>		<b>5,000</b>
<b>c. Painting</b>					
			<b>468,000</b>		<b>468,000</b>
<b>Total</b>					
			<b>2,526,758</b>		<b>2,640,868</b>
Aggregate amount of quoted investments					
			<b>2,783,956</b>		<b>2,783,956</b>
Aggregate Market value of quoted investments					
			<b>2,009,930</b>		<b>2,105,635</b>
Aggregate amount of unquoted investments in shares					
			<b>456,420</b>		<b>456,420</b>
Aggregate amount of unquoted investments in others					
			<b>473,000</b>		<b>473,000</b>
Aggregate provision for diminution in value of investments					
			<b>1,186,618</b>		<b>1,072,508</b>

\* Net of provision for diminution in value of investments



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

<u>Particulars</u>	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
	₹	₹
<b>Note : 11 Deferred tax assets</b>		
- Depreciation on Fixed Assets	454,473	372,216
- Expenses allowable on payment basis under Income Tax Act.	49,282	37,343
	<u>503,755</u>	<u>409,559</u>
<b>Note : 12 Long-term loans and advances</b> (Unsecured, considered good )		
Capital advances	5,081,580	6,709,543
Security deposits	3,123,715	2,958,425
Other loans and advances		
Advance income tax	14,881,361	8,248,509
Less : Provision for income tax	<u>14,100,000</u>	<u>8,000,000</u>
Others	350,000	350,000
	<u>9,336,656</u>	<u>10,266,477</u>
<b>Note : 13 Other non-current assets</b>		
Fixed deposits		
- Pledged with bank as collateral security (Current portion of original maturity period more than 12 months)	2,000,000	-
	<u>2,000,000</u>	<u>-</u>
<b>Note : 14 Inventories</b> (At cost or net realisable value, whichever is lower)		
Stock-in-trade		
Vehicles	57,218,041	63,221,420
Parts and Accessories of Vehicles	75,536,233	77,991,173
Goods-in-transit	<u>95,310</u>	<u>40,302</u>
	<u>132,849,584</u>	<u>141,252,895</u>
<b>Note : 15 Trade receivables</b> (Unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months from due date	3,012,464	2,827,827
Other trade receivables	132,639,947	102,615,707
	<u>135,652,411</u>	<u>105,443,534</u>



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

<u>Particulars</u>	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
	₹	₹
<b>Note : 16 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balance with banks	5,869,516	1,084,973
In current accounts		
Cash on hand (as certified)	2,664,951	2,138,577
	<u>8,534,467</u>	<u>3,223,550</u>
<b>Other bank balances</b>		
Earmarked balances		
Fixed deposits	200,000	2,200,000
- As Margin Money against bank guarantees (Current portion of original maturity period more than 12 months)		
Unpaid Dividend accounts	411,917	394,639
	<u>611,917</u>	<u>2,594,639</u>
	<u>9,146,384</u>	<u>5,818,189</u>
<b>Note : 17 Short term loans and advances</b>		
(Unsecured, considered good)		
Other loans and advances		
Advances to suppliers and others	4,637,774	11,721,259
Advances to staff	873,852	319,752
Gratuity fund	502,017	454,957
Intercorporate deposits	-	2,500,000
Prepaid expenses	447,707	433,178
Other taxes & duties	2,424,045	1,885,014
	<u>8,885,395</u>	<u>17,314,160</u>
<b>Note : 18 Other current assets</b>		
(Unsecured, considered good)		
Interest accrued and due on deposits	78,566	116,022
Claims and other receivable from suppliers	15,754,823	15,428,024
Incentive receivable	13,409,619	8,782,588
Taxes and duties refundable	405,491	428,526
Other receivable	773,202	434,341
	<u>30,421,701</u>	<u>25,189,501</u>
<b>Note : 19 Revenue from operations</b>		
Sale of Traded goods (Gross)		
Vehicles	899,187,287	791,262,409
Parts and Accessories	669,446,831	1,568,634,118
Other operating revenue		
Commission received	5,707,073	6,325,295
Discount received	57,056,706	52,587,321
Other Income	457,723	404,291
	<u>63,221,502</u>	<u>59,316,907</u>
	<u>1,631,855,620</u>	<u>1,483,078,776</u>



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
		₹		₹
<b>Note : 20 Other Income</b>				
Interest income (Gross)				
On fixed deposits with banks	202,988		186,157	
On intercorporate deposits	184,110		300,001	
On security deposits	46,095		43,514	
On others	213,343	646,536	482,512	1,012,184
Dividend on long-term Investments		22,623		19,300
Other non-operating revenues				
Service charges received	2,400,000		1,931,053	
Cash discount received	5,599,882		4,916,218	
Profit on sale of fixed assets	–		13,292	
Unspent liabilities no longer required written back	1,311,023		83,717	
Revenue from tranfer of right in property	1,458,934		–	
Logistic and incidental charges	2,587,362		–	
Miscellaneous income	840,987	14,198,188	122,373	7,066,653
		<u>14,867,347</u>		<u>8,098,137</u>
<b>Note : 21 Purchase of traded goods</b>				
Vehicles	867,711,189		772,314,014	
Parts and Accessories	619,937,203	1,487,648,392	602,821,986	1,375,136,000
Freight & entry tax		9,873,717		958,472
		<u>1,497,522,109</u>		<u>1,376,094,472</u>
<b>Note : 22 Changes in inventories of stock in trade</b>				
<b>Opening Stock :</b>				
Vehicles		63,221,420		63,975,082
Parts and Accessories	77,991,173		59,757,693	
Goods-in-transit	40,302	78,031,475	364,866	60,122,559
		<u>141,252,895</u>		<u>124,097,641</u>
<b>Closing Stock :</b>				
Vehicles		57,218,041		63,221,420
Parts and Accessories	75,536,233		77,991,173	
Goods-in-transit	95,310	75,631,543	40,302	78,031,475
		<u>132,849,584</u>		<u>141,252,895</u>
		<u>8,403,311</u>		<u>(17,155,254)</u>
<b>Note : 23 Employee benefit expense</b>				
Salaries and wages		27,580,942		23,566,694
Contribution to provident and other funds		1,538,720		1,245,744
Staff welfare expenses		1,609,109		1,359,077
		<u>30,728,771</u>		<u>26,171,515</u>



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

<u>Particulars</u>	<u>As at 31st March, 2013</u>		<u>As at 31st March, 2012</u>	
	₹		₹	
<b>Note : 24 Finance costs</b>				
Interest expense				
On Short term borrowings		21,623,338		18,622,560
Other borrowing costs		340,680		100,000
		<u>21,964,018</u>		<u>18,722,560</u>
<b>Note : 25 Other expenses</b>				
Rent		6,427,912		5,911,202
Repairs				
Buildings	791,017		592,097	
Others	<u>5,420,703</u>	6,211,720	<u>3,777,214</u>	4,369,311
Insurance		862,419		512,391
Rates & taxes		125,350		77,679
Discount		21,796,216		23,032,118
Electricity		2,677,248		2,576,738
Advertisement & Sales Promotion		3,553,228		3,134,412
Travelling & Conveyance		4,209,717		4,082,224
Payment to statutory auditor				
- for statutory audit	45,000		45,000	
- for tax audit	10,000		10,000	
- for other services	<u>18,750</u>	73,750	<u>25,000</u>	80,000
Payment to branch auditors				
- for statutory Audit	42,000		42,000	
- for tax audit	12,500		12,500	
- for other services	<u>28,000</u>	82,500	<u>42,529</u>	97,029
Miscellaneous expenses		21,987,824		17,434,440
Loss on sale of fixed assets		-		4,900
Loss on sale of investments		-		208,650
Provision for diminution in value of investments		114,110		121,645
Bad debts written off		165,060		64,295
		<u>68,287,054</u>		<u>61,707,034</u>

**Note No. : 26 Earnings per share**

The numerators and denominators used to calculate Basic and Diluted Earnings per Share :

<u>Particulars</u>	<u>For the year Ended 31.03.13</u>	<u>For the year Ended 31.03.12</u>
a) Amount used as the numerator - Profit after tax (in ₹) (A)	1,19,72,441	158,41,944
b) Weighted average number of equity shares used as denominator (B)	11,00,000	11,00,000
c) Nominal Value of Equity Shares (₹)	10	10
d) Basic/ Diluted Earnings Per Share (A / B) (in ₹)	10.88	14.40





## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

### Note No. : 27 Other disclosures

#### 1. Contingent Liabilities :

a) Contingent liabilities to the extent not provided for :

Particulars	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
a) Contingent liabilities		
i) Claims against the company not acknowledged as debt		
a) Sales tax demand - under appeal	5,26,12,232	3,49,28,919
b) Service tax demand - under appeal	10,96,750 **	10,96,750 **
b) Commitments		
i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	9,79,35,058	72,68,341
ii) Advance paid against above	NIL	NIL

\*\* Sum of Rs.4,00,000/- has already been paid against the above Service Tax demand.

b) The contingent liabilities as shown in (a) and (b) above are dependent on disposal of appeal.

c) No reimbursement is expected in case of contingent liabilities as shown above.

#### 2. Segment Reporting :

As the company's business activities fall within a single primary business segment i.e. dealer of vehicle and motor parts, the disclosure requirement of Accounting Standard (AS-17) "Segment Reporting" notified in the Companies (Accounting Standards) Rules, 2006 are not required.

#### 3. Employee Benefits

As per Accounting Standard – 15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting standard are as follows :

##### a) Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Employees State Insurance Scheme are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expenses for the year are as under :

Particulars	For the year ended 31st March, 2013 Amount (₹)	For the year ended 31st March, 2012 Amount (₹)
Employers' Contribution to Provident Fund	13,66,531/-	11,05,748/-
Employers' Contribution to Employee State Insurance Scheme	7,21,254/-	5,02,634/-



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

b) **Defined Benefit Plan :**

Post employment and other long-term employee benefit in the form of gratuity are considered as defined obligation. The present value of the obligation is determined based on valuation report using Projected Unit Credit Method as at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represents the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the Statement of Profit and Loss for the year ended 31st March, 2013 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2013 is as follows :

Particulars	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
	₹	₹
<b>I. Components of Employer Expenses :</b>		
1. Current Service Cost	291,565	222,563
2. Past Service Cost	-	-
3. Interest Cost	157,959	134,461
4. Expected Return of Plan Asset	217,364	163,763
5. Actuarial (gain)/loss recognized in the year	301,704	160,340
6. Net Expense/(Income) Recognized in Statement of Profit and Loss	533,864	353,601
<b>II. Change in Present Value of Defined Benefit Obligation :</b>		
1. Present Value of Defined Benefit Obligation at the Beginning of the year	1,974,487	1,680,762
2. Interest Cost	157,959	134,461
3. Current Service Cost	291,565	222,563
4. Benefits Paid	219,213	223,639
5. Actuarial (Gain) / Losses	301,704	160,340
6. Present Value of Obligation at the end of the year	2,506,502	1,974,487
<b>III. Change in Fair Value of Plan Assets during the year ended 31st March, 2013</b>		
1. Plan Assets at the Beginning of the year	2,429,444	1,927,374
2. Expected Return on Plan Assets	217,364	163,763
3. Actual Company Contribution	580,924	561,946
4. Benefits Paid	219,213	223,639
5. Plan Assets at the end of the year	3,008,519	2,429,444
<b>IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2013</b>		
1. Present value of Defined Benefit Obligation	2,506,502	1,974,487
2. Fair Value on Plan Assets	3,008,519	2,429,444
3. Funded Status Surplus / (deficit)	502,017	454,957
4. Net Asset / (Liability) recognized in Balance Sheet	502,017	454,957
<b>V Actuarial Assumptions</b>		
1. Discount Rate (per annum)	8.00%	8.00%
2. Salary Increases	5.25%	5.00%
3. Expected rate of return on plan assets (per annum)	9.00%	8.50%
4. Inflation Rate	5.25%	5.00%
5. Retirement / Superannuation Age	58	58
6. Mortality	LICI 1994-1996	LICI 1994-1996



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

### VI. Basis used to determine the Expected Rate of Return on Plan Assets :

The basis used to determine overall expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

### VII. Basis of estimates of rate of escalation in salary :

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 actuary certifies the above information.

### VIII. Disclosure related to Previous Years :

Particulars	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹	As at 31st March, 2009 ₹
Present value of Defined Benefit Obligation	1,680,762	1,336,566	1,130,735
Fair Value on Plan Assets	1,927,374	1,492,943	966,354
Funded Status Surplus / (deficit)	246,612	156,377	(164,381)

### IX. The following disclosures as required by AS-15 could not be made as the relevant information is not available in the actuarial valuation report :

- The expected amount of Employer's contribution for next year.
- Experience Adjustment.

### 4. Related Party disclosures as identified by management in accordance with the Accounting Standard - 18 notified in the Companies (Accounting Standards) Rules, 2006.

#### (A) Name and Description of relationship with the related parties :

##### I) Key Managerial Personnel :

Mr. K.P.Jhunjunwala  
Mr. Anil Jhunjunwala

##### II) Associates :

J.J.Finance Corporation Limited  
J.J.Project Private Limited  
KPJ Estates Private Limited  
Bengal Motor Services Pvt. Ltd.

##### III) Enterprises over which Key Managerial Personnel are able to exercise significant influence :

Matador Services  
Bengal Automobiles  
Auto Enterprises  
K.P.Jhunjunwala Family Trust  
J.J.Motors Pvt. Ltd.  
J.J.Motor Parts  
Mrs.Kanaklata Jhunjunwala  
A.K.Jhunjunwala (HUF)



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

**(B) Transaction with related parties during the year and the status of outstanding as on 31st March, 2013**

(Amount ₹)

Nature of Transaction	Associates		Enterprise over which key managerial personnel and relatives of such personnel are able to exercise significant influence		Key Managerial personnel of the Company	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b><u>Issue of Non Cumulative Redeemable Preference Shares</u></b>						
Mr. K.P.Jhunjunwala	-	-	-	-	7,500,000	-
Mr. Anil Jhunjunwala	-	-	-	-	7,500,000	-
Mrs. Kanaklata Jhunjunwala	-	-	2,500,000	-	-	-
A. K. Jhunjunwala (HUF)	-	-	7,500,000	-	-	-
J.J. Finance Corporation Ltd.	10,000,000	-	-	-	-	-
J.J.Projects Pvt.Ltd.	50,000,000	-	-	-	-	-
<b><u>Service Charges received</u></b>						
Matador Services	-	-	2,400,000	1,800,000	-	-
<b><u>Data Processing Charges Received</u></b>						
Matador Services	-	-	139,200	69,600	-	-
Bengal Motor Services Pvt. Ltd.	58,800	48,000	-	-	-	-
J J Motors Pvt. Ltd.	-	-	58,800	-	-	-
<b><u>Pre Delivery Inspection.</u></b>						
<b><u>Goodwill and Other Services Paid</u></b>						
Matador Services	-	-	517,408	422,172	-	-
Bengal Motor Services Pvt. Ltd.	351,800	555,175	-	-	-	-
J J Motors Pvt. Ltd.	-	-	381,495	8,177	-	-
Auto Enterprises	-	-	400,000	361,800	-	-
<b><u>Service Charges - Insurance</u></b>						
KPJ Estates Pvt. Ltd.	1,828,000	1,697,000	-	-	-	-
<b><u>Sale of Vehicle, Parts and Accessories</u></b>						
Matador Services	-	-	43,897,128	57,146,737	-	-
Bengal Motor Services Pvt. Ltd.	17,130,464	1,982,698	-	-	-	-
J J Motors Pvt. Ltd.	-	-	6,988,557	270,757	-	-
Bengal Automobiles	-	-	1,930,987	-	-	-
J.J.Motor Parts	-	-	2,583,458	-	-	-
<b><u>Purchase of Parts &amp; Accessories</u></b>						
Matador Services	-	-	5,932,220	8,571,508	-	-
J J Motors Pvt. Ltd.	-	-	275,943	-	-	-
J.J.Motor Parts	-	-	395,155	-	-	-
Bengal Motor Service Pvt. Ltd.	-	-	910,437	-	-	-



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

(Amount ₹)

Nature of Transaction	Associates		Enterprise over which key managerial personnel and relatives of such personnel are able to exercise significant influence		Key Managerial personnel of the Company	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Rent paid</b>						
K.P.Jhunhunwala Family Trust	-	-	<b>240,000</b>	240,000	-	-
KPJ Estates Pvt. Ltd.	<b>2,400,000</b>	2,400,000	-	-	-	-
J J Motors Pvt. Ltd.	-	-	-	225,000	-	-
<b>Directors' Fees paid</b>						
Mr.K.P.Jhunhunwala	-	-	-	-	<b>8,000</b>	6,000
Mr. Anil Jhunhunwala	-	-	-	-	<b>8,000</b>	6,000
<b>Interest on Loans from related parties</b>						
J.J.Finance Corporation Limited	<b>1,769,209</b>	2,145,046	-	-	-	-
J.J.Project Private Limited	<b>10,734,737</b>	9,697,007	-	-	-	-
Kohinoor Stock Broking Private Limited	-	-	-	-	-	-
<b>Loans taken from related parties</b>						
J.J.Finance Corporation Limited	<b>10,025,000</b>	29,050,000	-	-	-	-
J.J.Project Private Limited	<b>74,986,700</b>	97,800,000	-	-	-	-
Kohinoor Stock Broking Private Limited	-	-	-	-	-	-
<b>Loans taken from related parties refunded</b>						
J.J. Finance Corporation Limited	<b>17,975,000</b>	21,100,000	-	-	-	-
J.J.Project Private Limited	<b>95,152,340</b>	79,800,000	-	-	-	-
<b>Balance Payables as on 31st March, 2013</b>						
<b>Pre Delivery Inspection, Goodwill and Other Services</b>						
Matador Services	-	-	<b>148,006</b>	114,192	-	-
Bengal Motor Services Pvt. Ltd.	<b>7,218</b>	38,014	-	-	-	-
J J Motors Pvt. Ltd.	-	-	<b>85,877</b>	8,410	-	-
Auto Enterprises	-	-	<b>42,063</b>	40,211	-	-
<b>Loans taken from related parties</b>						
J.J.Finance Corporation Limited	-	7,950,000	-	-	-	-
J.J.Project Private Limited	<b>19,400,000</b>	39,565,640	-	-	-	-
<b>Interest on Loans taken from related parties</b>						
J.J.Finance Corporation Limited	-	1,930,546	-	-	-	-
J.J.Project Private Limited	<b>9,661,257</b>	8,727,305	-	-	-	-
<b>Balance Receivable as on 31st March, 2013</b>						
<b>Purchase of Parts &amp; Accessories</b>						
Matador Services	-	-	<b>2,725</b>	-	-	-
J.J.Motor Parts	-	-	<b>33,022</b>	-	-	-
<b>Sale of Vehicle, Parts and Accessories</b>						
Matador Services	-	-	<b>669</b>	-	-	-
Bengal Motor Services Pvt. Ltd.	<b>337,154</b>	711,817	-	-	-	-
J.J. Motor Parts	-	-	<b>140,699</b>	-	-	-
J J Motors Pvt. Ltd.	-	-	<b>813,610</b>	185,419	-	-



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

- (C) No amount has been written back / written off during the year in respect of due to / from related parties.
- (D) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
- (E) The transaction with related parties have been entered at an amount which are not materially different from that on normal commercial terms.

### 5. Disclosure under clause 32 of the Listing Agreement

There are no transactions which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

- 6. Balances of Trade receivables, Trade payables and Other advances are subject to confirmation.
- 7. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**For G.P. Agrawal & Co.**  
*Chartered Accountants*  
F.R. No. 302082E

**(CA SOURAV CHOUDHARY)**  
*Partner*  
Membership No.300768

7A, Kiran Shankar Roy Road  
Kolkata -700 001  
Dated : 27th May, 2013

For and on behalf of the Board

**K. P. Jhunjhunwala**  
Director

**Anil Jhunjhunwala**  
Director

**S. P. Mukherjee**  
Director

**Surjit Singh**  
Director

**Kamal Nain Saraf**  
Director



# J. J. AUTOMOTIVE LIMITED

Registered Office : 25B Park Street, Kolkata - 700 016

## PROXY FORM

I/We ..... of .....

being a member of the above named Company hereby appoint .....

..... of .....

..... or failing him .....

..... of ..... as my/our proxy to attend above vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday, the 29th day of July, 2013 at 2.30 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2013.

Folio No. ....

No. of Shares held .....

### Notes :

This form should be signed across the stamp as per specimen signature registered with the company. The proxy must be returned so as to reach the Registered Office of the Company at 25B, Park Street, Kolkata - 700 016 not less than 48 hours before the time for holding the aforesaid meeting. Proxy need not be a member of the Company.



# J. J. AUTOMOTIVE LIMITED

Registered Office : 25B Park Street, Kolkata - 700 016

## ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

Name (In BLOCK Letters) : .....

Folio No. ....

No. of Shares held .....

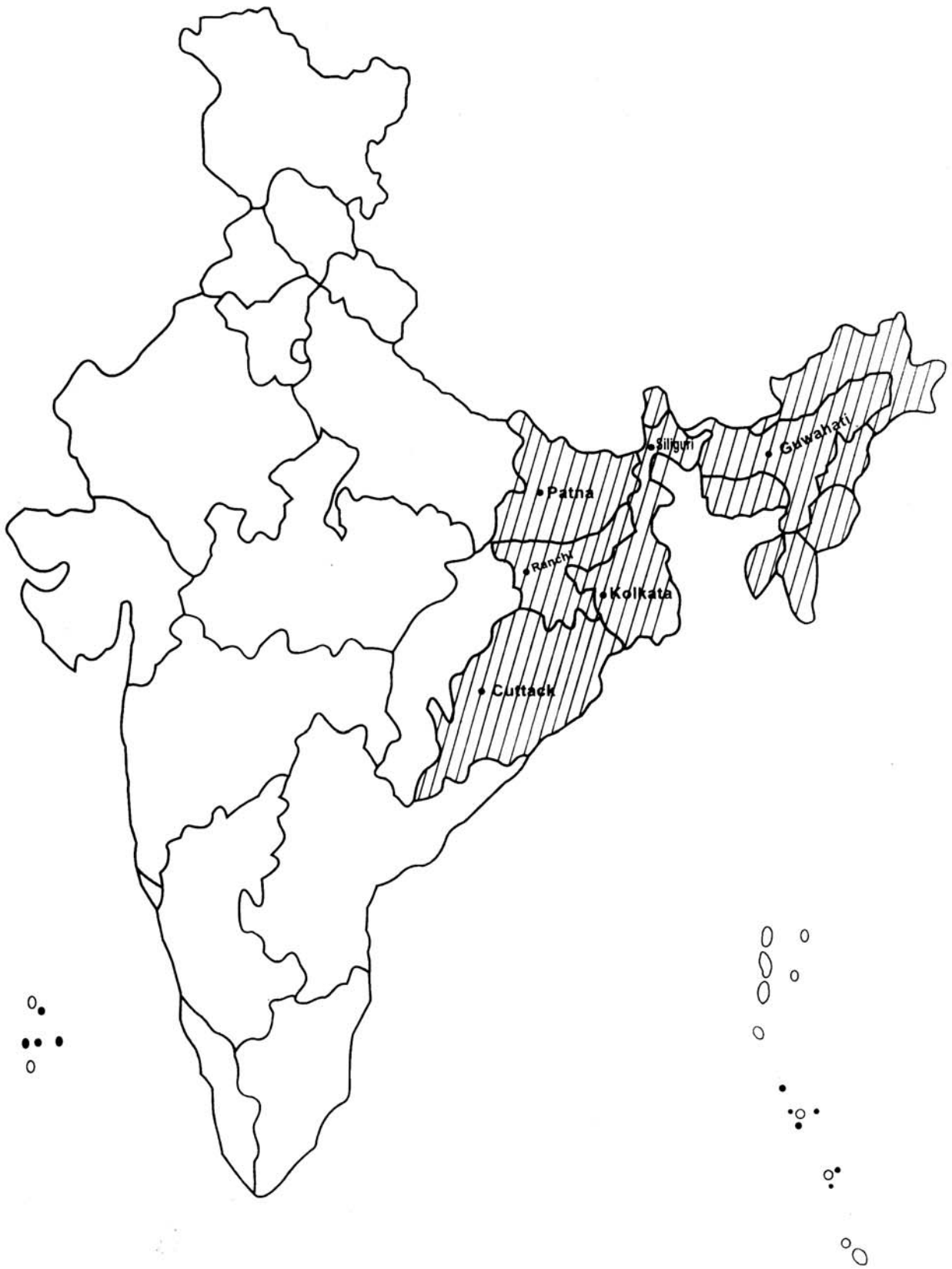
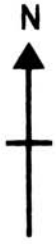
I hereby record my presence at the 32nd Annual General Meeting of the Company held on Monday, the 29th day of July, 2013 at 2.30 p.m. at 25B, Park Street, Kolkata - 700 016.

.....

Signature of Share holder / proxy

### Notes :

- Share holder/proxy holders are requested to bring this attendance slip and copy of their Annual Report with them while coming to attend the meeting.
- Joint share holders may obtain additional attendane slip on request.



Branches of J. J. Automotive Limited



Distribution Network of J. J. Automotive Limited

(Parts Division)