



## J. J. AUTOMOTIVE LIMITED

33RD ANNUAL REPORT

### BOARD OF DIRECTORS :

MR. K.P. JHUNJHUNWALA  
MR. ANIL JHUNJHUNWALA  
MR. KAMAL NAIN SARAF  
MR. S.P. MUKHERJEE  
MR. SURJIT SINGH

### REGISTERED OFFICE :

25B, PARK STREET, KOLKATA - 700016, WEST BENGAL

### BRANCH OFFICE :

1. PREM BHAWAN, BALESHWAR SINGH PATH, SHIV NAGAR  
BEHIND FORD HOSPITAL, KHEMNI CHAK, PATNA - 800027, BIHAR
2. DAS AUTO BAZAR COMPLEX, KEDAR ROAD,  
(NEAR RLY. GATE NO. 5), GUWAHATI - 781001, ASSAM
3. SURYA VIHAR, LINK ROAD  
P.O. ARUNODAYA MARKET, CUTTACK - 753012, ORISSA
4. BANK COLONY ROAD, PISKA MORE, RATU ROAD  
RANCHI - 834005, JHARKHAND
5. 17, MASTER DA LANE, ASHRAM PARA  
SILIGURI - 734 401, WEST BENGAL
6. C/O. KOTHARI METALS  
8 & 9, TILJALA ROAD, KOLKATA - 700046, WEST BENGAL

### AUDITORS :

M/S. G.P. AGRAWAL & CO., Chartered Accountants  
7A, KIRAN SHANKAR RAY ROAD, KOLKATA - 700001

### BRANCH AUDITORS :

**GUWAHATI :** M/S. M.L. SHARMA & CO.  
TOKOBARI, S.R.C. B. ROAD, GUWAHATI - 781001

**PATNA & RANCHI:** M/S. A.MITRA & ASSOCIATES  
514, ASHIANA TOWERS, EXHIBITION ROAD, PATNA - 800001

**CUTTACK :** M/S. H.K. CHANDAK & CO.  
OSIYA TOWER ANNEX BUILDING, HARIPUR ROAD, CUTTACK - 753001

**SILIGURI :** M/S. GARG CHOUDHARY & ASSOCIATES  
METRO PLAZA, 1ST FLOOR, S.F.ROAD, SILIGURI - 734005

### BANKER :

INDIAN OVERSEAS BANK

### SHARE TRANSFER AGENT :

M/S. NICHE TECHNOLOGIES PVT. LTD.  
D-511, BAGREE MARKET, 71, B.R.B. BASU ROAD, KOLKATA - 700001

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**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Thirty Third(33rd) Annual Report and the Audited Accounts on the business and operations of your company for the year ended March 31, 2014.

**FINANCIAL RESULTS**

| Particulars                                  | For the year ended 31st March |          |
|--|-------------------------------|----------|
|  | ( ₹ In Lacs)                  |          |
|  | 2014                          | 2013     |
| <b>Gross Income</b>                          | <b>15153.93</b>               | 16467.23 |
| Profit before Depreciation and Tax           | <b>270.61</b>                 | 198.17   |
| Depreciation                                 | <b>14.85</b>                  | 18.39    |
| <b>Profit Before Tax :</b>                   | <b>255.76</b>                 | 179.78   |
| Current Tax (Provision)                      | <b>108.00</b>                 | 61.00    |
| Deferred Tax                                 | <b>(21.71)</b>                | (0.94)   |
| Income Tax for earlier year                  | <b>1.23</b>                   | 0.00     |
| <b>Profit After Tax :</b>                    | <b>168.24</b>                 | 119.72   |
| Add : Balance brought forward from last year | <b>935.56</b>                 | 823.84   |
| <b>Profit available for appropriation</b>    | <b>1103.80</b>                | 943.56   |
| <b>Appropriated as follows :</b>             |                               |          |
| Dividend                                     | <b>Nil</b>                    | Nil      |
| Dividend Tax                                 | <b>Nil</b>                    | Nil      |
| General Reserve                              | <b>10.00</b>                  | 8.00     |
| <b>Balance carried to Balance Sheet</b>      | <b>1093.80</b>                | 935.56   |

**INDUSTRY SCENARIO**

The performance of the automobile and auto component industry in the last fiscal has been one of the most challenging in India; flagging vehicle sales, high capital costs, high interest rates, currency fluctuations and slowing down of the investment in manufacturing, have adversely impacted the growth of the auto component industry. However, with the automotive sector being a key driver of the economy and growth returning to vehicle consumption in the last couple of months, we expect the component industry to grow in the range of 4-6 per cent in the current fiscal 2014-15.

**PERFORMANCE**

The turnover of the company for the financial year 2013-14 has seen a negative growth by 9% i.e. it registered ₹1495 Million in comparison to ₹1632 Million for the year 2012-13, the reasons being the then prevailing political and economical environment in the country. Your directors feel glad to inform that the company has registered a profit of ₹16.8 Million in comparison to ₹12 Million the last year. During the Year, your directors have focused on cost optimization resulting increase in the profit by 40.5% in comparison to the last year.

**BUSINESS OVERVIEW**

Automotive industry occupies a prominent place in the Indian Industrial Scenario. As a result of its forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect and is capable of being the driver of economic growth. The passenger car segment recorded a mild growth on the back of healthy volumes of newly launched models.



Automobile companies across segments continue to face tremendous pressure on profit margins. Added to this are the high marketing costs incurred and heavy discounts offered by vehicle manufacturers to attract consumers to the showroom.

In line with most domestic driven sectors, the prolonged slow down in the Indian economy has impacted the Indian Automobile Industry also for the past two years. On the outlook for FY 2014-15, we are hoping for the moderate growth in the business with the possibility of launching of new passenger vehicles in the succeeding months. It is also estimated that the car segment will also record highest single digit growth by the end of the fiscal year.

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

Considering the immensely growing competition and saturation in the existing market, we are planning to expand our areas of operation to more potential and growing areas. In the same line the company is likely to set up new sales and service units in such locations.

### **FINANCE**

Your directors have put in their best efforts in managing the fund requirement along with the fund flow of the company. Since the market conditions were unfavorable, your directors have tried to cater the fund requirements from the internal accrual of the company which positively affected the profitability of the company. During the financial year, your directors also focused and deliberated on cost minimization and optimization of resources.

The management is positive towards implementing the budget development process as well as in the monitoring process so that to have a clear understanding on the determinant of costs and budget allocations.

### **DIVIDEND**

Your company has retained its profits for future expansion, growth and to attain the sound financial position of the company. Your directors do not recommend any dividend for the year ended 31st March, 2014.

### **ORGANIZATIONAL CHANGES & BOARD OF DIRECTORS**

Your directors have pleasure in informing to have formed a strong and stable Board. There were no changes in the form of appointment/ resignation in the Board of Directors of the company during the year.

As per the provisions of the Companies Act, 2013, Mr. K.P. Jhunjhunwala and Mr. Anil Jhunjhunwala will retire in the ensuing AGM and being eligible seeks for re-appointment. The Board of Directors recommends their re-appointment.

### **HUMAN RESOURCES**

As always, people's development continues to be an extremely important area in your company. Harnessing developmental conversations at entry level and ensuring the same skills in each manager has been the area of focus. Your company has a good team of coaches & facilitators and handsome number of employees for different areas of function. A constant feedback mechanism is maintained by the senior management. The company believes in providing equal opportunity to everyone and the work - culture is based on merit and performance.

### **PARTICULARS OF EMPLOYEES**

The Company does not have any employee coming under the provision 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 had no activities relating to conservation of energy or technology absorption. The company neither had foreign exchange earnings nor had any foreign exchange outgo.

**DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

1. That in the preparation of the Company's Annual Accounts, the applicable Accounting Standards have been followed and there is no material departure from the same.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments 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 of the company for that year.
3. That 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 frauds and other irregularities.
4. That the Directors have prepared the Annual Accounts on a going concern basis.

**Disclosure Pursuant To Listing Agreement**

Necessary disclosures pursuant to listing agreement are made in Annexure "A" to this report.

**DEPOSITS**

As on 31st March, 2014 the company had no public deposits, the company also has not accepted any public deposit during the financial year.

**AUDITORS**

The Auditors, M/s. G.P. Agrawal & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible seeks re-appointment, your directors recommend their re-appointment.

M/s. M.L. Sharma & Co., Chartered Accountants, auditor of the Guwahati Branch retire at the ensuing Annual General Meeting and being eligible seeks re-appointment, your directors recommend their 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 seeks re-appointment, your directors recommend their 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 seeks re-appointment, your directors recommend their re-appointment.

M/s. Garg Choudhary & Associates, Chartered Accountants, auditor of the Siliguri Branch retire at the ensuing Annual General Meeting and being eligible seeks re-appointment, your directors recommend their re-appointment.

**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.

**ACKNOWLEDGMENTS**

The Directors thank to the Company's customers, clients, vendors, investors and bankers for their incessant support during the year. It is unflinching support and hard work put in by the employees which made the growth of the company possible, the directors put sincere appreciation on record for employees.

Registered Office :  
25B, Park Street,  
Kolkata – 700016  
Date : 28.05.2014

by order of the Board for J J Automotive Limited

**K. P. Jhunjunwala**  
*Director*

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

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

The shares of the company are listed on the following Stock Exchanges.

| <b>Name and Address of the Stock Exchange</b>  | <b>Security Listed</b> |
|--|------------------------|
| 1. The Calcutta Stock Exchange Ltd.<br>7, Lyons Range<br>Kolkata - 700001                                  | Equity Shares          |
| 2. The Guwahati Stock Exchange Ltd<br>2nd Floor Shine Towers,<br>S.J. Road, Rehabari<br>Guwahati - 781 008 | Equity Shares          |

The Listing fees to those Stock Exchanges for the Financial Year 2014 - 15 have been paid.

**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, 2014 (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 10 (Ten) times respectively on 19.04.2013, 23.05.2013, 27.05.2013, 09.08.2013, 27.09.2013, 07.11.2013, 27.12.2013, 11.02.2014, 27.02.2014 and 21.03.2014 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 22.07.2013 to 29.07.2013 (both days inclusive) as per Section 154 of the Act.
6. The Annual General Meeting for the financial year ended 31.03.2013 was held on 29.07.2013 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. No Extra-Ordinary General Meeting was held during the financial year.
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 not entered into any 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 lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment/transmission of securities during the financial year.



- (ii) The Company has not declared any dividend during the previous year.
  - (iii) There is a balance of Rs. 3, 13,675.00 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 Director, 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 not issued any securities during the financial year.
  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 not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
  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 : 28th day of May, 2014

**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, 2014

| Sl. | From 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                | Financial Year 2012-2013             | 31-July-2013     | Yes  | N.A.   |
| 2   | Form 23AC (Balance Sheet) and Form 23ACA (Profit & Loss A/c) | 220                 | Year Ended 31st March 2013           | 28-Aug-2013      | Yes  | N.A.   |
| 3   | Form 20B (Annual Return)                                     | 159                 | AGM held on 29-July -2013            | 13-Sep-2013      | Yes  | N.A.   |
| 4   | Form No. 32  | 383A                | The appointment of Company Secretary | 31-Aug-2013      | Yes  | N.A.   |
| 5   | Form No. 32  | -                   | Change in designation of Directors   | 04-Jan-2014      | Yes  | N.A.   |
| 6   | Form No. 32  | 383A                | Resignation of Company secretary     | 25-March-2014    | Yes  | N.A.   |
| 7   | Form No. 8   | 135                 | Modification of a charge             | 07-Dec-2013      | No   | Yes  |

Place : Kolkata  
Date : 28th day of May, 2014

**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, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended (in which are incorporated the accounts of Company's Guwahati, Siliguri, Cuttack, Ranchi and Patna Branches audited by other Auditors), 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th 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.

### 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, 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 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 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, Siliguri, Ranchi, and Patna Branches not visited by us. The Guwahati, Cuttack, Ranchi and Patna Branches Auditors' Report have been forwarded to us and have appropriately dealt with;
  - 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 audited returns from the Guwahati, Siliguri, Cuttack, Ranchi and Patna Branches;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and 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 clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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 : The 28th day of May, 2014



## 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, 2014

- 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 1 Company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 9,21,11,257/- and the year-end balance of loans taken from such parties was ₹ 6,71,75,000/-.
- 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 and any other statutory dues, to the extent applicable, 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 of 31st of March, 2014 for a period of more than six months from the date they became payable.
- b) The disputed statutory dues aggregating to ₹ 5,34,04,838/- 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       | Central Sales Tax     | 95,856             | 2002-03                           | Addl. Commissioner of Sales Tax, Kolkata            |
| 2.      | West Bengal Sales Tax Act, 1994       | West Bengal Sales Tax | 1,04,11,699        | 2003-04                           | Special Commissioner of Sales Tax, Kolkata          |
| 3.      | West Bengal Sales Tax Act, 1994       | Central Sales Tax     | 14,506             | 2003-04                           | Special Commissioner of Sales Tax, Kolkata          |
| 4.      | West Bengal Sales Tax Act, 1994       | West Bengal Sales Tax | 1,30,59,745        | 2004-05                           | Appellate Revision Board of Sales Tax, Kolkata      |
| 5.      | West Bengal Value added Tax Act, 2003 | Vat                   | 6,28,295           | 2005-06                           | Appellate Revision Board of Sales Tax, Kolkata      |
| 6.      | West Bengal Value added Tax Act, 2003 | Vat                   | 1,08,02,131        | 2008-09                           | Appellate Revision Board of Sales Tax               |
| 7.      | West Bengal Sales Tax Act, 1994       | Central Sales Tax     | 12,543             | 2008-09                           | Appellate Revision Board of Sales Tax               |
| 8.      | West Bengal Value added Tax Act, 2003 | VAT                   | 1,76,81,659        | 2009-10                           | Sr. Joint Commissioner of Sales Tax, Kolkata.       |
| 9.      | West Bengal Sales Tax Act, 1994       | Central Sales Tax     | 1,654              | 2009-10                           | Sr. Joint Commissioner of Sales Tax, Kolkata.       |
| 10.     | 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>5,34,04,838</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 : The 28th day of May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

| Particulars                      |                                   | Note No. | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|----------------------------------|-----------------------------------|----------|--------------------------------|--------------------------------|
| <b>I. EQUITY AND LIABILITIES</b> |                                   |          |                                |                                |
| (1)                              | <b>Shareholders' fund</b>         |          |                                |                                |
|                                  | (a) Share capital                 | 2        | 96,000,000                     | 96,000,000                     |
|                                  | (b) Reserves and surplus          | 3        | 143,465,386                    | 126,641,747                    |
|                                  |                                   |          | <u>239,465,386</u>             | <u>222,641,747</u>             |
| (2)                              | <b>Non-current liabilities</b>    |          |                                |                                |
|                                  | Long-term borrowings              | 4        | 98,737,684                     | 43,364,128                     |
|                                  | Other non-current liabilities     | 5        | 1,438,536                      | -                              |
|                                  |                                   |          | <u>100,176,220</u>             | <u>43,364,128</u>              |
| (3)                              | <b>Current liabilities</b>        |          |                                |                                |
|                                  | (a) Short-term borrowings         | 6        | 191,594,712                    | 116,197,127                    |
|                                  | (b) Trade payables                | 7        | 60,415,596                     | 41,537,210                     |
|                                  | (c) Other current liabilities     | 8        | 49,806,950                     | 45,035,998                     |
|                                  | (d) Short term provisions         | 9        | 3,044,661                      | -                              |
|                                  |                                   |          | <u>304,861,919</u>             | <u>202,770,335</u>             |
|                                  | <b>Total</b>                      |          | <u>644,503,525</u>             | <u>468,776,210</u>             |
| <b>II. ASSETS</b>                |                                   |          |                                |                                |
| (1)                              | <b>Non current assets</b>         |          |                                |                                |
|                                  | (a) Fixed assets                  |          |                                |                                |
|                                  | (i) Tangible assets               | 10       | 44,808,122                     | 45,643,274                     |
|                                  | (ii) Capital work-in-progress     | 10       | 171,768,406                    | 91,810,292                     |
|                                  |                                   |          | <u>216,576,528</u>             | <u>137,453,566</u>             |
|                                  | (b) Non current investments       | 11       | 2,262,908                      | 2,526,758                      |
|                                  | (c) Deferred tax assets           | 12       | 2,675,045                      | 503,755                        |
|                                  | (d) Long-term loans and advances  | 13       | 9,551,767                      | 9,336,656                      |
|                                  | (e) Other non-current assets      | 14       | 4,590,359                      | 2,000,000                      |
|                                  |                                   |          | <u>235,656,607</u>             | <u>151,820,735</u>             |
| (2)                              | <b>Current Assets</b>             |          |                                |                                |
|                                  | (a) Inventories                   | 15       | 218,961,711                    | 132,849,584                    |
|                                  | (b) Trade receivables             | 16       | 140,142,825                    | 135,652,411                    |
|                                  | (c) Cash and bank balances        | 17       | 5,162,990                      | 9,146,384                      |
|                                  | (d) Short term loans and advances | 18       | 8,888,922                      | 8,885,395                      |
|                                  | (e) Other current assets          | 19       | 35,690,470                     | 30,421,701                     |
|                                  |                                   |          | <u>408,846,918</u>             | <u>316,955,475</u>             |
|                                  | <b>Total</b>                      |          | <u>644,503,525</u>             | <u>468,776,210</u>             |

SIGNIFICANT ACCOUNTING POLICIES 1  
OTHER DISCLOSURES 28

The accompanying notes 1 to 28 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 Ray Road  
Kolkata - 700 001  
Dated : The 28th day of May, 2014

For and on behalf of the Board

**K. P. Jhunjunwala**  
Director  
DIN - 00108065  
**Surjit Singh**  
Director  
DIN - 00204609

**S. P. Mukherjee**  
Director  
DIN - 00108225  
**Kamal Nain Saraf**  
Director  
DIN - 00204296


**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

| Particulars  | Note No. | Year ended            | Year ended            |
|--|----------|-----------------------|-----------------------|
|  |          | 31st March, 2014<br>₹ | 31st March, 2013<br>₹ |
| <b>I. Revenue from operations</b>  | 20       |                       |                       |
| Sale of goods  |          | 1,424,926,240         | 1,568,634,118         |
| Other operating revenue  |          | 69,796,312            | 63,221,502            |
| Revenue from operations  |          | 1,494,722,552         | 1,631,855,620         |
| <b>II. Other income</b>  | 21       | 20,670,192            | 14,867,347            |
| <b>III. Total Revenue (I + II)</b>   |          | 1,515,392,744         | 1,646,722,967         |
| <b>IV. Expenses</b>  |          |                       |                       |
| Purchases of traded goods  | 22       | 1,459,889,151         | 1,497,522,109         |
| Changes in inventories of stock in trade   | 23       | (86,112,127)          | 8,403,311             |
| Employee benefits expense  | 24       | 30,767,709            | 30,728,771            |
| Finance costs  | 25       | 17,952,158            | 21,964,018            |
| Depreciation and amortization expense  | 10       | 1,484,783             | 1,839,459             |
| Other expenses   | 26       | 65,834,966            | 68,287,054            |
| <b>Total Expenses</b>  |          | 1,489,816,640         | 1,628,744,722         |
| <b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>   |          | 25,576,104            | 17,978,245            |
| VI. Exceptional items  |          | -                     | -                     |
| VII. Profit before extraordinary items and tax (V - VI)                          |          | 25,576,104            | 17,978,245            |
| VIII. Extra-ordinary items   |          | -                     | -                     |
| <b>IX. Profit before tax (VII - VIII)</b>  |          | 25,576,104            | 17,978,245            |
| X. Tax expense:  |          |                       |                       |
| Current tax  |          | 10,800,000            | 6,100,000             |
| Deferred tax   |          | (2,171,290)           | (94,196)              |
| Income tax for earlier years   |          | 123,755               | -                     |
|  |          | 8,752,465             | 6,005,804             |
| <b>XI. Profit for the year (IX - X)</b>  |          | 16,823,639            | 11,972,441            |
| XII. Earnings per equity share - Basic & diluted (₹)<br>(Face value ₹ 10/- each) | 27       | 15.29                 | 10.88                 |
| SIGNIFICANT ACCOUNTING POLICIES  | 1        |                       |                       |
| OTHER DISCLOSURES  | 28       |                       |                       |

The accompanying notes 1 to 28 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 Ray Road  
Kolkata - 700 001  
Dated : The 28th day of May, 2014

For and on behalf of the Board

**K. P. Jhunjhunwala**  
Director  
DIN - 00108065  
**Surjit Singh**  
Director  
DIN - 00204609

**S. P. Mukherjee**  
Director  
DIN - 00108225  
**Kamal Nain Saraf**  
Director  
DIN - 00204296

**CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2014**

|   | Year ended<br>31st March, 2014<br>₹ |                     | Year ended<br>31st March, 2013<br>₹ |                     |
|---|-------------------------------------|---------------------|-------------------------------------|---------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                                     |                     |                                     |                     |
| <b>Net Profit before tax</b>  |                                     | <b>25,576,104</b>   |                                     | <b>17,978,245</b>   |
| Adjusted for :  |                                     |                     |                                     |                     |
| Depreciation and amortisation expense                                 |                                     | <b>1,484,783</b>    |                                     | <b>1,839,459</b>    |
| Dividend Income   |                                     | <b>(33,472)</b>     |                                     | <b>(22,623)</b>     |
| Finance Cost  |                                     | <b>17,952,158</b>   |                                     | <b>21,964,018</b>   |
| Interest Income   |                                     | <b>(499,050)</b>    |                                     | <b>(646,536)</b>    |
| Profit on sale of non-current investments                             |                                     | <b>(232,000)</b>    |                                     | <b>-</b>            |
| Liabilities no longer required write back                             |                                     | <b>(3,077,673)</b>  |                                     | <b>(1,311,023)</b>  |
| Bad Debts written off   |                                     | <b>29,211</b>       |                                     | <b>165,060</b>      |
| Loss on sale of Tangible Fixed Assets                                 |                                     | <b>86,461</b>       |                                     | <b>-</b>            |
| Provision for diminution in value of investments/<br>(write back)     |                                     | <b>(204,150)</b>    | <b>114,110</b>                      | <b>22,102,465</b>   |
| <b>Operating Profit before Working Capital Changes</b>                |                                     | <b>41,082,372</b>   |                                     | <b>40,080,710</b>   |
| Adjusted for :  |                                     |                     |                                     |                     |
| Increase in trade payables  |                                     | <b>18,878,386</b>   |                                     | <b>382,590</b>      |
| Increase in other current liabilities                                 |                                     | <b>11,762,679</b>   |                                     | <b>9,024,317</b>    |
| (Increase)/decrease in inventories                                    |                                     | <b>(86,112,127)</b> |                                     | <b>8,403,311</b>    |
| (Increase) in trade receivables                                       |                                     | <b>(4,490,414)</b>  |                                     | <b>(30,208,877)</b> |
| (Increase)/decrease in long term and short term<br>loans and advances |                                     | <b>(1,090,358)</b>  |                                     | <b>9,891,438</b>    |
| (Increase) in other current assets                                    |                                     | <b>(5,029,606)</b>  | <b>(5,451,992)</b>                  | <b>(7,959,213)</b>  |
| Cash generated from operations  |                                     | <b>(24,999,068)</b> |                                     | <b>32,121,497</b>   |
| Direct taxes paid (net of refund)                                     |                                     | <b>(7,128,640)</b>  |                                     | <b>(6,632,852)</b>  |
| Cash flow before exceptional and extraordinary items                  |                                     | <b>(32,127,708)</b> |                                     | <b>25,488,645</b>   |
| Exceptional/extraordinary items                                       |                                     | <b>-</b>            |                                     | <b>-</b>            |
| <b>Net Cash (used in)/ generated from operating<br/>activities</b>    |                                     | <b>(32,127,708)</b> |                                     | <b>25,488,645</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                                     |                     |                                     |                     |
| Additions to Tangible Fixed Assets                                    |                                     | <b>(1,036,092)</b>  |                                     | <b>(2,084,832)</b>  |
| Additions to Capital Work in Progress                                 |                                     | <b>(79,958,114)</b> |                                     | <b>(77,937,279)</b> |
| Sale of Tangible Fixed Assets   |                                     | <b>300,000</b>      |                                     | <b>-</b>            |
| Deposits under lien with banks  |                                     | <b>(2,500,000)</b>  |                                     | <b>-</b>            |
| Proceeds from sale of Non-Current Investments                         |                                     | <b>700,000</b>      |                                     | <b>-</b>            |
| Interest Received   |                                     | <b>501,538</b>      |                                     | <b>683,992</b>      |
| Dividend Received   |                                     | <b>33,472</b>       | <b>(81,959,196)</b>                 | <b>(79,315,496)</b> |
| <b>Net Cash used in investing activities</b>                          |                                     | <b>(81,959,196)</b> |                                     | <b>(79,315,496)</b> |




**CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2014**

|   | Year ended<br>31st March, 2014<br>₹ | Year ended<br>31st March, 2013<br>₹ |                   |
|---|-------------------------------------|-------------------------------------|-------------------|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                                     |                                     |                   |
| Proceeds from issue of Preference Shares                        | -                                   | 85,000,000                          |                   |
| Proceeds/(repayment) of Short Term Borrowings-<br>Cash Credit   | 27,622,585                          | (9,668,652)                         |                   |
| Proceeds/(repayment) of Short Term Borrowing<br>-Unsecured Loan | 47,775,000                          | (28,115,640)                        |                   |
| Proceeds from Long Term Borrowing -Term Loan                    | 55,373,556                          | 35,777,998                          |                   |
| Finance Cost Paid   | (20,396,769)                        | (22,577,490)                        |                   |
| Dividend Paid   | -                                   | (1,100,000)                         |                   |
| Dividend distribution tax paid                                  | -                                   | (178,448)                           | 59,137,768        |
| <b>Net Cash generated from financing activities</b>             | <b>110,374,372</b>                  |                                     | <b>59,137,768</b> |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>        | <b>(3,712,532)</b>                  |                                     | <b>5,310,917</b>  |
| <b>Opening Cash and Cash Equivalents</b>                        | <b>8,534,467</b>                    |                                     | <b>3,223,550</b>  |
| <b>Closing Cash and Cash Equivalents (Refer Note No.17)</b>     | <b>4,821,935</b>                    |                                     | <b>8,534,467</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.17, 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

For and on behalf of the Board

**(CA. Sourav Choudhary)**  
Partner  
Membership No. 300768  
7A, Kiran Shankar Ray Road  
Kolkata - 700 001  
Dated : The 28th day of May, 2014

**K. P. Jhunjhunwala**  
Director  
DIN - 00108065  
**Surjit Singh**  
Director  
DIN - 00204609

**S. P. Mukherjee**  
Director  
DIN - 00108225  
**Kamal Nain Saraf**  
Director  
DIN - 00204296

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014****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 INVESTMENTS**

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 FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (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 except leave encashment, which is accounted on cash basis.
- (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 FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014** (Contd.)**Note 2 Share Capital**

|   | As at<br>31st March, 2014 |                    | As at<br>31st March, 2013 |                    |
|---|---------------------------|--------------------|---------------------------|--------------------|
|   | No. of shares             | Amount<br>₹        | No. of shares             | Amount<br>₹        |
| <b>(i) Authorised :</b>   |                           |                    |                           |                    |
| Equity Shares of ₹ 10/- each  | 2,000,000                 | 20,000,000         | 2,000,000                 | 20,000,000         |
| Preference Shares of ₹ 10/- each  | 13,000,000                | 130,000,000        | 13,000,000                | 130,000,000        |
|   |                           | <u>150,000,000</u> |                           | <u>150,000,000</u> |
| <b>(ii) Issued :</b>  |                           |                    |                           |                    |
| Equity Shares of ₹ 10/- each  | 1,100,000                 | 11,000,000         | 1,100,000                 | 11,000,000         |
| 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each               | 13,000,000                | 130,000,000        | 13,000,000                | 130,000,000        |
|   |                           | <u>141,000,000</u> |                           | <u>141,000,000</u> |
| <b>(iii) Subscribed and Paid-up :</b>                                       |                           |                    |                           |                    |
| Equity Shares of ₹ 10/- each fully paid up                                  | 1,100,000                 | 11,000,000         | 1,100,000                 | 11,000,000         |
| 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up | 8,500,000                 | 85,000,000         | 8,500,000                 | 85,000,000         |
|   |                           | <u>96,000,000</u>  |                           | <u>96,000,000</u>  |
| <b>(iv) Reconciliation of the number of Preference Shares Outstanding :</b> |                           |                    |                           |                    |
| Number of Shares outstanding at the beginning of the year                   | 8,500,000                 | 85,000,000         | -                         | -                  |
| ADD : Number of shares allotted during the year                             | -                         | -                  | 8,500,000                 | 85,000,000         |
| Number of Shares outstanding at the end of the year                         | <u>8,500,000</u>          | <u>85,000,000</u>  | <u>8,500,000</u>          | <u>85,000,000</u>  |

**(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 FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**
**Note 2 Share Capital (Contd.)**

|   | As at<br>31st March, 2014 |             | As at<br>31st March, 2013 |             |
|---|---------------------------|-------------|---------------------------|-------------|
|   | No. of shares             | Amount<br>₹ | No. of shares             | Amount<br>₹ |
| <b>(vi) The details of Equity shareholders holding more than 5 % Equity Shares as at 31.03.2014 and 31.03.2013 are given below :</b>          |                           |             |                           |             |
| J. J. Projects Pvt. Ltd.  | 136,700                   | 12.43       | 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        |
| Kohinoor Stock Broking Private Limited  | 88,250                    | 8.02        | 49,250                    | 4.48        |
| <b>(vii) The details of Preference shareholders holding more than 5 % Preference Shares as at 31.03.2014 and 31.03.2013 are given below :</b> |                           |             |                           |             |
| K. P. Jhunjhunwala  | 1,250,000                 | 14.71       | 750,000                   | 8.82        |
| Anil Jhunjhunwala   | 1,750,000                 | 20.59       | 750,000                   | 8.82        |
| Anil Jhunjhunwala (As karta of A. K. Jhunjhunwala - HUF)  | 1,550,000                 | 18.24       | 750,000                   | 8.82        |
| J. J. Finance Corporation Ltd.  | 1,800,000                 | 21.18       | 1,000,000                 | 11.76       |
| J. J. Projects Pvt. Ltd.  | 1,700,000                 | 20.00       | 5,000,000                 | 58.82       |

**Note 3 Reserve & Surplus**
**Securities Premium Account**

As per last account 24,500,000 24,500,000

**General Reserve**

As per last account 8,585,660 7,785,660

Add : Transferred from Statement of Profit and Loss 1,000,000 800,000

9,585,660 8,585,660

**Surplus in the Statement of Profit and Loss**

Balance as per last Account 93,556,087 82,383,646

Add: Profit for the year 16,823,639 11,972,441

Surplus available for Appropriations 110,379,726 94,356,087

**Less : Appropriations**

Transferred to General Reserve 1,000,000 800,000

Closing balance 109,379,726 93,556,087

143,465,386 126,641,747

**Note :**

- a. 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|   | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|---|--------------------------------|--------------------------------|
| <b>Note 4 Long-term borrowings</b>  |                                |                                |
| <b>Term Loan</b>  |                                |                                |
| From a Bank (Secured)   | 104,407,684                    | 49,034,128                     |
| Less : Current maturities of Term Loan  | <u>5,670,000</u>               | <u>5,670,000</u>               |
| (Term loan from Indian Overseas Bank is secured by equitable mortgage of land & 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 + 2.75% and the repayment of Principal will start from February, 2015 by way of 60 monthly instalment of ` 28,35,000/- each) | <u>98,737,684</u>              | <u>43,364,128</u>              |
|   | <u>98,737,684</u>              | <u>43,364,128</u>              |
| <b>Note 5 Other non-current liabilities</b>   |                                |                                |
| Other payables  |                                |                                |
| Trade deposits  | 1,438,536                      | -                              |
|   | <u>1,438,536</u>               | <u>-</u>                       |
| <b>Note 6 Short - term borrowings</b>   |                                |                                |
| <b>Loans repayable on demand</b>  |                                |                                |
| <b>Unsecured</b>  |                                |                                |
| Loans from related parties  | 67,175,000                     | 19,400,000                     |
| Intercompany deposits   | 11,700,000                     | 11,700,000                     |
| <b>Other Loans</b>  |                                |                                |
| Working capital loan  |                                |                                |
| From Bank (Secured)   | 112,719,712                    | 85,097,12                      |
| (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).  | <u>191,594,712</u>             | <u>116,197,127</u>             |
|   | <u>191,594,712</u>             | <u>116,197,127</u>             |
| <b>Note 7 Trade payables</b>  |                                |                                |
| Total outstanding dues of other than Micro and Small Enterprises  | 60,415,596                     | 41,537,210                     |
|   | <u>60,415,596</u>              | <u>41,537,210</u>              |

**Note :**

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, 2014. Therefore, there are no dues outstanding to Micro, Small and Medium Enterprises (Previous year Nil).


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|   | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|---|--------------------------------|--------------------------------|
| <b>Note 8 Other current liabilities</b> |                                |                                |
| Current maturities of Term Loan         | 5,670,000                      | 5,670,000                      |
| Interest accrued and due on borrowings  | 8,428,894                      | 10,873,505                     |
| Unpaid dividend*                        | 313,675                        | 383,800                        |
| Other payables                          |                                |                                |
| Advance from customers                  | 12,660,041                     | 10,434,203                     |
| Trade deposits                          | 174,050                        | 1,569,687                      |
| Unpaid salaries and other payroll dues  | 1,247,783                      | 1,162,228                      |
| Statutory liabilities                   | 14,123,696                     | 9,095,803                      |
| Accrued expenses                        | 6,663,821                      | 5,308,638                      |
| Others                                  | 524,990                        | 538,134                        |
|   | <u>35,394,381</u>              | <u>28,108,693</u>              |
|   | <u>49,806,950</u>              | <u>45,035,998</u>              |

**Note :**

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

**Note 9 Short term provisions**

|  |                  |           |
|--|------------------|-----------|
| <b>Provision for employee benefits - unavailed leave</b> | 30,907           | -         |
| <b>Others</b>  |                  |           |
| Provision for taxation                                   | 24,900,000       |           |
| Less : Advance tax                                       | 21,886,246       | 3,013,754 |
|  | <u>3,044,661</u> | <u>-</u>  |



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

Note No. : 10

**FIXED ASSETS**

(Amount ₹)

| DESCRIPTION                 | GROSS BLOCK           |                             |                              |                             | DEPRECIATION      |                          |                            | NET BLOCK             |                    |                    |
|-----------------------------|-----------------------|-----------------------------|------------------------------|-----------------------------|-------------------|--------------------------|----------------------------|-----------------------|--------------------|--------------------|
|                             | Cost as at 01.04.2013 | Additions during the period | Deductions during the period | Total cost as at 31.03.2014 | Upto 31.03.2013   | Provided during the year | Adjustment during the year | Total upto 31.03.2014 | As at 31.03.2014   | As at 31.03.2013   |
|                             | ₹                     | ₹                           | ₹                            | ₹                           | ₹                 | ₹                        | ₹                          | ₹                     | ₹                  | ₹                  |
| <b>Tangible assets</b>      |                       |                             |                              |                             |                   |                          |                            |                       |                    |                    |
| Land - Freehold             | 38,654,517            | -                           | -                            | 38,654,517                  | -                 | -                        | -                          | -                     | 38,654,517         | 38,654,517         |
| Premises                    | 737,991               | -                           | -                            | 737,991                     | 557,833           | 9,008                    | -                          | 566,841               | 171,150            | 180,158            |
| Vehicles                    | 7,675,995             | 108,165                     | 521,470                      | 7,262,690                   | 6,551,434         | 219,098                  | 135,009                    | 6,635,523             | 627,167            | 1,124,561          |
| Air-Conditioner             | 2,015,437             | 140,467                     | -                            | 2,155,904                   | 1,068,511         | 159,156                  | -                          | 1,227,667             | 928,237            | 946,926            |
| Furniture and Fixture       | 4,849,131             | 428,112                     | -                            | 5,277,243                   | 2,895,876         | 432,836                  | -                          | 3,318,712             | 1,958,531          | 1,963,255          |
| U.P.S. & Voltage Stabiliser | 382,409               | -                           | -                            | 382,409                     | 240,144           | 19,642                   | -                          | 259,786               | 122,623            | 142,265            |
| Generator                   | 185,759               | -                           | -                            | 185,759                     | 148,434           | 5,334                    | -                          | 153,768               | 31,991             | 37,325             |
| Bi-Cycle                    | 16,034                | -                           | -                            | 16,034                      | 9,011             | 1,575                    | -                          | 10,586                | 5,448              | 7,023              |
| Refrigerator                | 22,966                | -                           | -                            | 22,966                      | 16,070            | 960                      | -                          | 17,030                | 5,936              | 6,896              |
| Tool & Equipments           | 6,776,048             | 111,087                     | -                            | 6,887,135                   | 5,319,350         | 217,891                  | -                          | 5,537,241             | 1,349,894          | 1,456,698          |
| Data Processing Machine     | 7,427,022             | 212,261                     | -                            | 7,639,283                   | 6,765,463         | 349,953                  | -                          | 7,115,416             | 523,867            | 661,559            |
| Type Writer                 | 42,644                | -                           | -                            | 42,644                      | 41,814            | 116                      | -                          | 41,930                | 714                | 830                |
| Fax Machine                 | 69,323                | -                           | -                            | 69,323                      | 60,583            | 1,215                    | -                          | 61,798                | 7,525              | 8,740              |
| T.V. & V.C.R.               | 352,948               | 36,000                      | -                            | 388,948                     | 186,692           | 28,135                   | -                          | 214,827               | 174,121            | 166,256            |
| Electric Motor              | 84,719                | -                           | -                            | 84,719                      | 30,971            | 7,520                    | -                          | 38,491                | 46,228             | 53,748             |
| Xerox Machine               | 46,223                | -                           | -                            | 46,223                      | 16,730            | 4,102                    | -                          | 20,832                | 25,391             | 29,493             |
| Telephone & Inter-Com       | 425,108               | -                           | -                            | 425,108                     | 222,084           | 28,242                   | -                          | 250,326               | 174,782            | 203,024            |
| <b>Total</b>                | <b>69,764,274</b>     | <b>1,036,092</b>            | <b>521,470</b>               | <b>70,278,896</b>           | <b>24,121,000</b> | <b>1,484,783</b>         | <b>135,009</b>             | <b>25,470,774</b>     | <b>44,808,122</b>  | <b>45,643,274</b>  |
| <b>Previous Year Total</b>  | <b>67,679,442</b>     | <b>2,084,832</b>            | -                            | <b>69,764,274</b>           | <b>22,281,541</b> | <b>1,839,459</b>         | -                          | <b>24,121,000</b>     | <b>45,643,274</b>  | <b>45,397,901</b>  |
| Capital work-in-progress    | 91,810,292            | 79,958,114                  | -                            | 171,768,406                 | -                 | -                        | -                          | -                     | 171,768,406        | 91,810,292         |
| Capital work-in-progress*   | 161,574,566           | 80,994,206                  | 521,470                      | 242,047,302                 | 24,121,000        | 1,484,783                | 135,009                    | 25,470,774            | 216,576,528        | 137,453,566        |
| <b>Grand Total</b>          | <b>81,552,455</b>     | <b>80,022,111</b>           | -                            | <b>161,574,566</b>          | <b>22,281,541</b> | <b>1,839,459</b>         | -                          | <b>24,121,000</b>     | <b>137,453,566</b> | <b>137,453,566</b> |




**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**
**Note 10 Fixed Assets**

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

| Particulars  | Year Ended<br>31st March,<br>2014<br>₹ | Year Ended<br>31st March,<br>2013<br>₹ |
|--|--|--|
| <b>Opening Balance</b>                               | <b>91,810,292</b>                      | 13,873,013                             |
| Add : Capital Work-in-Progress Expenses for the year |  |  |
| Cost of Material & Labour                            |  |  |
| – Steel  | <b>24,672,611</b>                      | 16,408,032                             |
| – Redy Mix Concrete                                  | –                                      | 9,533,916                              |
| – Piling   | –                                      | 8,464,590                              |
| – Cement   | <b>8,969,600</b>                       | –                                      |
| – Job Contract                                       | <b>31,879,064</b>                      | 33,393,173                             |
| Consultancy Fees                                     | <b>4,224,160</b>                       | 5,337,981                              |
| Finance Cost   | <b>8,932,873</b>                       | 3,145,741                              |
| Administrative & Other Expenses                      |  |  |
| – Retainership Fees                                  | <b>270,000</b>                         | 275,000                                |
| – Electricity Expenses                               | <b>154,089</b>                         | 377,484                                |
| – Rent   | <b>628,334</b>                         | 140,500                                |
| – Testing Fees                                       | –                                      | 17,417                                 |
| – Insurance  | <b>53,336</b>                          | 53,336                                 |
| – Security Guard Charges                             | <b>138,325</b>                         | 200,509                                |
| – Micellaneous Expenses                              | <b>35,722</b>                          | 589,600                                |
| <b>Closing Capital Work-in-Progress</b>              | <b><u>171,768,406</u></b>              | <u>91,810,292</u>                      |

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)****Note No. : 11 Non-current investments**

|  | Face Value | As at<br>31st March, 2014 |                  | As at<br>31st March, 2013 |                  |
|--|------------|---------------------------|------------------|---------------------------|------------------|
|  |            | 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                       | 150              |
| Maruti Suzuki India Limited  | 5          | 200                       | 128,931          | 200                       | 128,931          |
| Federal Mogul Goetztes (India) Limited   | 10         | 1000                      | 112,332          | 1000                      | 112,332          |
|  |            |                           | <u>241,413</u>   |                           | <u>241,413</u>   |
| <b>Unquoted</b>  |            |                           |                  |                           |                  |
| Narbheram & Co. Ltd.*  | 10         | 1800                      | 1,800            | 1800                      | 1,800            |
|  |            |                           | <u>243,213</u>   |                           | <u>243,213</u>   |
| <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                       | 64,425           | 500                       | 27,600           |
| Reliace Industries Ltd.*   | 10         | 200                       | 186,150          | 200                       | 62,350           |
| IFCI Limited*  | 10         | 2000                      | 53,100           | 2000                      | 52,200           |
| Century Textiles and Industries Limited*   | 10         | 300                       | 108,990          | 300                       | 86,115           |
| NOIDA Toll Bridge Company Limited*   | 10         | 5000                      | 120,000          | 5000                      | 99,750           |
| Peninsula Land Limited*  | 2          | 1000                      | 32,050           | 1000                      | 32,550           |
| Larson and Tubro Limited*  | 2          | 900                       | 784,110          | 600                       | 784,110          |
| (300 Equity Shares received as Bonus in this year)                                   |            |                           |                  |                           |                  |
|  |            |                           | <u>1,576,275</u> |                           | <u>1,372,125</u> |
| <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           |
|  |            |                           | <u>438,420</u>   |                           | <u>438,420</u>   |


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**
**Note No. : 11 Non-current investments (Contd.)**

|   | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|---|---------------------------|---------------------------|
| <b>b. In Post Office National Saving Certificates</b><br>(Deposited with Sales tax authorities) | 5,000                     | 5,000                     |
| <b>c. Painting</b>  | -                         | 468,000                   |
| <b>Total</b>  | <b>2,262,908</b>          | <b>2,526,758</b>          |
| Aggregate amount of quoted investments  | 2,783,956                 | 2,783,956                 |
| Aggregate Market value of quoted investments  | 2,387,935                 | 2,009,930                 |
| Aggregate amount of unquoted investments in shares  | 456,420                   | 456,420                   |
| Aggregate amount of unquoted investments in others  | 5,000                     | 473,000                   |
| Aggregate provision for diminution in value of investments                                      | 982,468                   | 1,186,618                 |
| *Net of provision for diminution in value of investments  |                           |                           |

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|   | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|---|--------------------------------|--------------------------------|
| <b>Note : 12 Deferred tax assets</b>  |                                |                                |
| - Depreciation on Fixed Assets  | 489,484                        | 454,473                        |
| - Expenses allowable on payment basis under Income Tax Act.   | 2,185,561                      | 49,282                         |
|   | <u>2,675,045</u>               | <u>503,755</u>                 |
| <b>Note : 13 Long-term loans and advances</b><br>(Unsecured, considered good )                                  |                                |                                |
| Capital advances  | 5,919,963                      | 5,081,580                      |
| Security deposits   | 3,281,804                      | 3,123,715                      |
| Other loans and advances  |                                |                                |
| Advance income tax  | -                              | 14,881,361                     |
| Less: Provision for income tax  | -                              | 14,100,000                     |
| Others  | 350,000                        | 350,000                        |
|   | <u>9,551,767</u>               | <u>9,336,656</u>               |
| <b>Note : 14 Other non-current assets</b>   |                                |                                |
| Fixed deposits  |                                |                                |
| - Pledged with bank as collateral security<br>(Current portion of original maturity period more than 12 months) | 4,500,000                      | 2,000,000                      |
| Other receivable  | 90,359                         | -                              |
|   | <u>4,590,359</u>               | <u>2,000,000</u>               |
| <b>Note : 15 Inventories</b><br>(At cost or net realisable value, whichever is lower)                           |                                |                                |
| Stock- in- trade  |                                |                                |
| Vehicles  | 125,802,132                    | 57,218,041                     |
| Parts and Accessories of Vehicles   | 92,963,810                     | 75,536,233                     |
| Goods - in- transit   | 195,769                        | 95,310                         |
|   | <u>218,961,711</u>             | <u>132,849,584</u>             |
| <b>Note : 16 Trade receivable</b><br>(Unsecured, considered good)   |                                |                                |
| Trade receivables outstanding for a period exceeding six months<br>from due date                                | 3,975,860                      | 3,012,464                      |
| Other trade receivables   | 136,166,965                    | 132,639,947                    |
|   | <u>140,142,825</u>             | <u>135,652,411</u>             |


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|  | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|--|--------------------------------|--------------------------------|
| <b>Note : 17 Cash and bank balances</b>  |                                |                                |
| Cash and cash equivalents  |                                |                                |
| Balance with banks   |                                |                                |
| In current accounts  | 1,622,148                      | 5,869,516                      |
| Cash on hand (as certified)  | 3,199,787                      | 2,664,951                      |
|  | <u>4,821,935</u>               | <u>8,534,467</u>               |
| Other bank balances  |                                |                                |
| Earmarked balances   |                                |                                |
| Fixed deposits   | -                              | 200,000                        |
| - As Margin Money against bank guarantees<br>(Current portion of original maturity period more than 12 months) |                                |                                |
| Unpaid Dividend accounts   | 341,055                        | 411,917                        |
|  | <u>341,055</u>                 | <u>611,917</u>                 |
|  | <u>5,162,990</u>               | <u>9,146,384</u>               |
| <b>Note : 18 Short term loans and advances</b>   |                                |                                |
| (Unsecured, considered good)   |                                |                                |
| Other loans and advances   |                                |                                |
| Advances to suppliers and others   | 3,986,435                      | 4,637,774                      |
| Advances to staff  | 1,500,680                      | 873,852                        |
| Gratuity fund  | 580,046                        | 502,017                        |
| Prepaid expenses   | 461,990                        | 447,707                        |
| Other taxes & duties   | 2,359,771                      | 2,424,045                      |
|  | <u>8,888,922</u>               | <u>8,885,395</u>               |
| <b>Note : 19 Other current assets</b>  |                                |                                |
| (Unsecured, considered good)   |                                |                                |
| Interest accrued and due on deposits   | 76,078                         | 78,566                         |
| Claims and other receivable from suppliers   | 15,459,693                     | 15,754,823                     |
| Incentive receivable   | 19,639,437                     | 13,409,619                     |
| Taxes and duties refundable  | 138,625                        | 405,491                        |
| Other receivable   | 376,637                        | 773,202                        |
|  | <u>35,690,470</u>              | <u>30,421,701</u>              |

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|  | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|--|--------------------------------|--------------------------------|
| <b>Note : 20 Revenue from operations</b>                                   |                                |                                |
| Sale of Traded goods (Gross)   |                                |                                |
| Vehicles   | 775,557,361                    | 899,187,287                    |
| Parts and Accessories  | 649,368,879                    | 669,446,831                    |
| Other operating revenue  |                                |                                |
| Commission received  | 4,431,652                      | 5,707,073                      |
| Discount received  | 64,956,387                     | 57,056,706                     |
| Other Income   | 408,273                        | 457,723                        |
|  | <u>69,796,312</u>              | <u>63,221,502</u>              |
|  | <u>1,494,722,552</u>           | <u>1,631,855,620</u>           |
| <b>Note : 21 Other Income</b>  |                                |                                |
| Interest income (Gross)  |                                |                                |
| On fixed deposits with banks   | 349,064                        | 202,988                        |
| On intercorporate deposits   | -                              | 184,110                        |
| On security deposits   | 44,135                         | 46,095                         |
| On others  | 105,851                        | 213,343                        |
| "Dividend on long-term Investments<br>Other than trade"                    | 33,472                         | 22,623                         |
| Other non-operating revenues   |                                |                                |
| Service charges received   | 1,800,000                      | 2,400,000                      |
| Cash discount received   | 7,088,035                      | 5,599,882                      |
| Profit on sale of Investment   | 232,000                        | -                              |
| Unspent liabilities no longer required written back                        | 3,077,673                      | 1,311,023                      |
| Revenue from transfer of right in property                                 | -                              | 1,458,934                      |
| Logistic and incidental charges  | 7,290,589                      | 2,587,362                      |
| Provision for diminution in value of long term<br>investments written back | 204,650                        | -                              |
| Miscellaneous income   | 444,723                        | 840,987                        |
|  | <u>20,137,670</u>              | <u>14,198,188</u>              |
|  | <u>20,670,192</u>              | <u>14,867,347</u>              |
| <b>Note : 22 Purchase of trade goods</b>                                   |                                |                                |
| Vehicles   | 828,343,407                    | 867,711,189                    |
| Parts and Accessories  | 622,194,932                    | 619,937,203                    |
|  | <u>1,450,538,339</u>           | <u>1,487,648,392</u>           |
| Freight & entry tax  | 9,350,812                      | 9,873,717                      |
|  | <u>1,459,889,151</u>           | <u>1,497,522,109</u>           |


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|   | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|---|--------------------------------|--------------------------------|
| <b>Note : 23 Changes in inventories of stock in trade</b> |                                |                                |
| Opening Stock :   |                                |                                |
| Vehicles  | 57,218,041                     | 63,221,420                     |
| Parts and Accessories                                     | 75,536,233                     | 77,991,173                     |
| Goods-in-transit  | 95,310                         | 40,302                         |
|   | <u>132,849,584</u>             | <u>141,252,895</u>             |
| Closing Stock :   |                                |                                |
| Vehicles  | 125,802,132                    | 57,218,041                     |
| Parts and Accessories                                     | 92,963,810                     | 75,536,233                     |
| Goods-in-transit  | 195,769                        | 95,310                         |
|   | <u>218,961,711</u>             | <u>132,849,584</u>             |
|   | <u>(86,112,127)</u>            | <u>8,403,311</u>               |
| <b>Note : 24 Employee benefit expense</b>                 |                                |                                |
| Salaries and wages  | 27,614,315                     | 27,580,942                     |
| Contribution to provident and other funds                 | 1,493,852                      | 1,538,720                      |
| Staff welfare expenses                                    | 1,659,542                      | 1,609,109                      |
|   | <u>30,767,709</u>              | <u>30,728,771</u>              |
| <b>Note : 25 Finance costs</b>                            |                                |                                |
| Interest expense  |                                |                                |
| On Short term borrowings                                  | 17,271,133                     | 21,623,338                     |
| Other borrowing costs                                     | 681,025                        | 340,680                        |
|   | <u>17,952,158</u>              | <u>21,964,018</u>              |

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|  | As at<br>31st March, 2014<br>₹ | As at<br>31st March, 2013<br>₹ |
|--|--------------------------------|--------------------------------|
| <b>Note : 26 Other expenses</b>                  |                                |                                |
| Rent   | 5,908,172                      | 6,427,912                      |
| Repairs  |                                |                                |
| Buildings  | 714,529                        | 791,017                        |
| Others   | <u>3,339,026</u>               | <u>5,420,703</u>               |
| Insurance  | 976,974                        | 862,419                        |
| Rates & taxes                                    | 59,628                         | 125,350                        |
| Discount   | 17,309,752                     | 21,796,216                     |
| Electricity                                      | 2,921,506                      | 2,677,248                      |
| Advertisement & Sales Promotion                  | 4,315,267                      | 3,553,228                      |
| Travelling & Conveyance                          | 4,941,000                      | 4,209,717                      |
| Payment to statutory auditor                     |                                |                                |
| for statutory audit                              | 55,000                         | 45,000                         |
| for tax audit                                    | 13,000                         | 10,000                         |
| for other services                               | <u>32,000</u>                  | <u>18,750</u>                  |
| Payment to branch auditors                       |                                |                                |
| for statutory Audit                              | 48,000                         | 42,000                         |
| for tax audit                                    | 15,000                         | 12,500                         |
| for other services                               | <u>35,000</u>                  | <u>28,000</u>                  |
| Miscellaneous expenses                           | 25,016,975                     | 21,987,824                     |
| Provision for diminution in value of investments | 500                            | 114,110                        |
| Loss on Sales of Fixed Assets                    | 86,461                         | -                              |
| Bad debts written off                            | 29,211                         | 165,060                        |
| Prior period expenses *                          | 17,965                         | -                              |
|  | <u>65,834,966</u>              | <u>68,287,054</u>              |
| Includes   |                                |                                |
| Gratuity Paid                                    | 17,965                         | -                              |
|  | <u>17,965</u>                  | <u>-</u>                       |




**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|   | Year Ended<br>31st March, 2014<br>₹ | Year Ended<br>31st March, 2013<br>₹ |
|---|-------------------------------------|-------------------------------------|
| <b>Note : 27 Earnings per share</b>   |                                     |                                     |
| <b>The numerators and denominators used to calculate Basic and Diluted Earnings per Share :</b> |                                     |                                     |
| <b>Particulars</b>  |                                     |                                     |
| a) Amount used as the numerator-Profit after tax (in ₹) (A)                                     | 1,68,23,639                         | 1,19,72,441                         |
| 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 ₹ )  | 15.29                               | 10.88                               |

**Note No. : 28 Other disclosures**
**1. Contingent Liabilities :**

a) Contingent liabilities to the extent not provided for :

|  |             |             |
|--|-------------|-------------|
| a) Contingent liabilities  |             |             |
| i) Claims against the company not acknowledged as debt   |             |             |
| a) Sales tax demand - under appeal   | 5,27,08,088 | 5,26,12,232 |
| 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. | 6,48,57,811 | 9,79,35,058 |
| ii) Advance paid against above   | 59,19,963   | 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:

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014** (Contd.)

|   | <b>For the year<br/>ended<br/>31st March, 2014</b> | For the year ended<br>31st March, 2013 |
|---|--|--|
| <b>Particulars</b>  | <b>₹</b>   | <b>₹</b>                               |
| Employers' Contribution to Provident Fund                     | 13,24,522/-  | 13,66,531/-                            |
| Employers' Contribution to Employee State<br>Insurance Scheme | 6,50,164/-   | 7,21,254/-                             |

**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, 2014 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2014 is as follows :


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

|   | <b>Gratuity<br/>(Funded)<br/>2013-14<br/>₹</b> | <b>Gratuity<br/>(Funded)<br/>2012-13<br/>₹</b> |
|---|--|--|
| <b>I. Components of Employer Expenses :</b>   |  |  |
| 1. Current Service Cost   | 365,506  | 291,565  |
| 2. Past Service Cost  | -  | -  |
| 3. Interest Cost  | 200,520  | 157,959  |
| 4. Expected Return of Plan Asset  | 204,317  | 217,364  |
| 5. Actuarial (gain)/loss recognized in the year   | 106,880  | 301,704  |
| 6. Net Expense/(Income) Recognized in Statement of Profit and Loss                      | 468,589  | 533,864  |
| <b>II. Change in Present Value of Defined Benefit Obligation :</b>                      |  |  |
| 1. Present Value of Defined Benefit Obligation at the Beginning of the year             | 2,506,502                                      | 1,974,487                                      |
| 2. Interest Cost  | 200,520  | 157,959  |
| 3. Current Service Cost   | 365,506  | 291,565  |
| 4. Benefits Paid  | 907,009  | 219,213  |
| 5. Actuarial (Gain) / Losses  | 106,880  | 301,704  |
| 6. Present Value of Obligation at the end of the year                                   | 2,272,399                                      | 2,506,502                                      |
| <b>III. Change in Fair Value of Plan Assets during the year ended 31st March, 2014</b>  |  |  |
| 1. Plan Assets at the Beginning of the year   | 3,008,519                                      | 2,429,444                                      |
| 2. Expected Return on Plan Assets   | 204,317  | 217,364  |
| 3. Actual Company Contribution  | 546,618  | 580,924  |
| 4. Benefits Paid  | 907,009  | 219,213  |
| 5. Plan Assets at the end of the year   | 2,852,445                                      | 3,008,519                                      |
| <b>IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2014</b> |  |  |
| 1. Present value of Defined Benefit Obligation  | 2,272,399                                      | 2,506,502                                      |
| 2. Fair Value on Plan Assets  | 2,852,445                                      | 3,008,519                                      |
| 3. Funded Status Surplus / (deficit)  | 580,046  | 502,017  |
| 4. Net Asset / (Liability) recognized in Balance Sheet                                  | 580,046  | 502,017  |
| <b>V. Actuarial Assumptions</b>   |  |  |
| 1. Discount Rate (per annum)  | 8.00%  | 8.00%  |
| 2. Salary Increases   | 5.20%  | 5.25%  |
| 3. Expected rate of return on plan assets (per annum)                                   | 8.75%  | 9.00%  |
| 4. Inflation Rate   | 5.20%  | 5.25%  |
| 5. Retirement / Superannuation Age  | 58   | 58   |
| 6. Mortality  | LICI 1994-1996                                 | LICI 1994-1996                                 |

**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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)****VIII. Disclosure related to Previous Years :**

| Particulars                                 | As at 31st<br>March, 2012<br>₹ | As at 31st<br>March, 2011<br>₹ | As at 31st<br>March, 2010<br>₹ |
|---|--------------------------------|--------------------------------|--------------------------------|
| Present value of Defined Benefit Obligation | 1,974,487                      | 1,680,762                      | 1,336,566                      |
| Fair Value on Plan Assets                   | 2,429,444                      | 1,927,374                      | 1,492,943                      |
| Funded Status Surplus / (deficit)           | 454,957                        | 246,612                        | 156,377                        |

**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 :

- i) The expected amount of Employer's contribution for next year.
- ii) 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.Jhunjhunwala  
Mr. Anil Jhunjhunwala
- II) Associates :  
J.J.Finance Corporation Limited  
J.J.Project Private Limited  
KPJ Estates Private Limited  
Bengal Motor Services Pvt. Ltd.  
Koninoor Stock Broking Pvt. Ltd.
- III) Enterprises over which Key Managerial Personnel are able to exercise significant influence :  
Matador Services  
Bengal Automobiles  
Auto Enterprises  
K.P.Jhunjhunwala Family Trust  
J.J.Motors Pvt. Ltd.  
J.J.Motor Parts  
Mrs.Kanaklata Jhunjhunwala  
A.K.Jhunjhunwala (HUF)


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**
**(B) Transaction with related parties during the year and the status of outstanding as on 31st March, 2014**

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 |           |
|--|------------|------------|---|------------|---|-----------|
|  | 2013-14    | 2012-13    | 2013-14   | 2012-13    | 2013-14                                 | 2012-13   |
| <b>Issue of Non Cumulative Redeemable Preference Shares</b>      |            |            |   |            |   |           |
| Mr. K.P.Jhunhunwala  | -          | -          | -   | -          | -                                       | 7,500,000 |
| Mr. Anil Jhunhunwala   | -          | -          | -   | -          | -                                       | 7,500,000 |
| Mrs. Kanaklata Jhunhunwala                                       | -          | -          | -   | 2,500,000  | -                                       | -         |
| A.K.Jhunhunwala (HUF)  | -          | -          | -   | 7,500,000  | -                                       | -         |
| J.J.Finance Corporation Ltd.                                     | -          | 10,000,000 | -   | -          | -                                       | -         |
| J.J.Projects Pvt.Ltd.  | -          | 50,000,000 | -   | -          | -                                       | -         |
| <b>Sales of Investment</b>                                       |            |            |   |            |   |           |
| Kohinoor Stock Broking Pvt.Ltd.                                  | 700,000    | -          | -   | -          | -                                       | -         |
| <b>Sales of Motor Car</b>  |            |            |   |            |   |           |
| J.J.Motor Parts  | -          | -          | 300,000   | -          | -                                       | -         |
| <b>Purchase of Motor Van</b>                                     |            |            |   |            |   |           |
| Bengal Automobiles   | -          | -          | 57,250  | -          | -                                       | -         |
| <b>Service Charges received</b>                                  |            |            |   |            |   |           |
| Matador Services   | -          | -          | 1,800,000   | 2,400,000  | -                                       | -         |
| <b>Data Processing Charges Received</b>                          |            |            |   |            |   |           |
| Matador Services   | -          | -          | -   | 139,200    | -                                       | -         |
| Bengal Motor Services Pvt. Ltd.                                  | -          | 58,800     | -   | -          | -                                       | -         |
| J J Motors Pvt. Ltd.   | -          | -          | -   | 58,800     | -                                       | -         |
| <b>Pre Delivery Inspection, Goodwill and Other Services Paid</b> |            |            |   |            |   |           |
| Matador Services   | -          | -          | 270,156   | 517,408    | -                                       | -         |
| Bengal Motor Services Pvt. Ltd.                                  | 202,896    | 351,800    | -   | -          | -                                       | -         |
| J J Motors Pvt. Ltd.   | -          | -          | 199,991   | 381,495    | -                                       | -         |
| Auto Enterprises   | -          | -          | -   | 400,000    | -                                       | -         |
| <b>Service Charges - Insurance</b>                               |            |            |   |            |   |           |
| KPJ Estates Pvt. Ltd.  | 1,184,274  | 1,828,000  | -   | -          | -                                       | -         |
| <b>Sale of Vehicle ,Parts and Accessories</b>                    |            |            |   |            |   |           |
| Matador Services   | -          | -          | 36,102,971  | 43,897,128 | -                                       | -         |
| Bengal Motor Services Pvt. Ltd.                                  | 21,870,095 | 17,130,464 | -   | -          | -                                       | -         |
| J J Motors Pvt. Ltd.   | -          | -          | 8,279,499   | 6,988,557  | -                                       | -         |
| Bengal Automobiles   | -          | -          | -   | 1,930,987  | -                                       | -         |
| J.J.Motor Parts  | -          | -          | 154,902   | 2,583,458  | -                                       | -         |
| <b>Purchase of Parts &amp; Accessories</b>                       |            |            |   |            |   |           |
| Matador Services   | -          | -          | 2,761,349   | 5,932,220  | -                                       | -         |
| J J Motors Pvt. Ltd.   | -          | -          | -   | 275,943    | -                                       | -         |
| J.J.Motor Parts  | -          | -          | 19,983  | 395,155    | -                                       | -         |
| Bengal Motor Service Pvt. Ltd.                                   | -          | -          | -   | 910,437    | -                                       | -         |



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (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 |         |
|---|------------|------------|---|---------|---|---------|
|   | 2013-14    | 2012-13    | 2013-14   | 2012-13 | 2013-14                                 | 2012-13 |
| <b>Rent paid</b>  |            |            |   |         |   |         |
| K. P. Jhunjhunwala Family Trust                             | -          | -          | 240,000   | 240,000 | -                                       | -       |
| KPJ Estates Pvt. Ltd.                                       | 1,650,000  | 2,400,000  | -   | -       | -                                       | -       |
| <b>Directors' Fees paid</b>                                 |            |            |   |         |   |         |
| Mr. K. P. Jhunjhunwala                                      |            |            |   |         | 10,000                                  | 8,000   |
| Mr. Anil Jhunjhunwala                                       |            |            |   |         | 10,000                                  | 8,000   |
| <b>Interest on Loans from related parties</b>               |            |            |   |         |   |         |
| J. J. Finance Corporation Limited                           | 1,048,278  | 1,769,209  | -   | -       | -                                       | -       |
| J. J. Project Private Limited                               | 7,895,634  | 10,734,737 | -   | -       | -                                       | -       |
| <b>Loans taken from related parties</b>                     |            |            |   |         |   |         |
| J. J. Finance Corporation Limited                           | 10,000,000 | 10,025,000 | -   | -       | -                                       | -       |
| J. J. Project Private Limited                               | 54,650,000 | 74,986,700 | -   | -       | -                                       | -       |
| <b>Loans taken from related parties refunded</b>            |            |            |   |         |   |         |
| J. J. Finance Corporation Limited                           | 10,000,000 | 17,975,000 | -   | -       | -                                       | -       |
| J. J. Project Private Limited                               | 6,875,000  | 95,152,340 | -   | -       | -                                       | -       |
| <b>Balance Payables as on 31st March, 2014</b>              |            |            |   |         |   |         |
| <b>Pre Delivery Inspection, Goodwill and Other Services</b> |            |            |   |         |   |         |
| Matador Services  | -          | -          | 130,533   | 148,006 | -                                       | -       |
| Bengal Motor Services Pvt. Ltd.                             | 17,892     | 7,218      | -   | -       | -                                       | -       |
| J. J. Motor Private Limited                                 | -          | -          | 25,729  | 85,877  | -                                       | -       |
| Auto Enterprises  | -          | -          | -   | 42,063  | -                                       | -       |
| <b>Loans taken from related parties</b>                     |            |            |   |         |   |         |
| J.J.Project Private Limited                                 | 67,175,000 | 19,400,000 | -   | -       | -                                       | -       |
| <b>Interest on Loans taken from related parties</b>         |            |            |   |         |   |         |
| J.J.Project Private Limited                                 | 7,106,071  | 9,661,257  | -   | -       | -                                       | -       |
| <b>Balance Receivable as on 31st March, 2014</b>            |            |            |   |         |   |         |
| <b>Purchase of Parts &amp; Accessories</b>                  |            |            |   |         |   |         |
| Matador Services  | -          | -          | -   | 2,725   | -                                       | -       |
| J.J.Motor Parts   | -          | -          | -   | 33,022  | -                                       | -       |
| <b>Sale of Vehicle, Parts and Accessories</b>               |            |            |   |         |   |         |
| Matador Services  | -          | -          | -   | 669     | -                                       | -       |
| Bengal Motor Services Pvt. Ltd.                             | 3,040,484  | 337,154    | -   | -       | -                                       | -       |
| J.J.Motor Parts   | -          | -          | -   | 140,699 | -                                       | -       |
| J J Motors Pvt. Ltd.  | -          | -          | 426,945   | 813,610 | -                                       | -       |


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2014 (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 Ray Road  
Kolkata - 700 001

Dated : The 28th day of May, 2014

For and on behalf of the Board

**K. P. Jhunjhunwala**  
Director  
DIN - 00108065  
**Surjit Singh**  
Director  
DIN - 00204609

**S. P. Mukherjee**  
Director  
DIN - 00108225  
**Kamal Nain Saraf**  
Director  
DIN - 00204296





**33RD  
ANNUAL REPORT  
2013-2014**



**J. J. AUTOMOTIVE LIMITED**



Branches of J. J. Automotive Limited



Distribution Network of J. J. Automotive Limited  
(Parts Division)