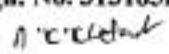


**AUDITORS' REPORT**

To  
**The Member of Jeco Exports & Finance Ltd.**

1. We have audited the attached Balance Sheet of **Jeco Exports & Finance Ltd.** as at 31<sup>st</sup> March 2011, Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended in 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper Books of Account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the Books of Account as submitted to us;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts subject to and read together with the significant accounting policies, notes and observations thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011
    - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date  
and
    - iii. in the case of the Cash flow statement, of the cash flows for the year ended on that date.

**For KHETAWAT & CO.**  
Chartered Accountants  
Regn. No. 313185E  
  
**(R.K.KHETAWAT)**  
Partner  
M.No.051357

Place: Kolkata  
Dated: **30 AUG 2011**



**Annexure to Auditors' Report of  
Jeco Exports & Finance Ltd**

- 1) a) The Company, in our opinion, has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) In our opinion, the Fixed Assets have been physically verified by the Management at reasonable intervals having regard to the size of the company and nature of its assets. No material discrepancies between Book records and the physical inventory are reported to have been noticed
- c) In our opinion, the Company has not disposed off any substantial part of its Fixed Assets, so as to affect its Going Concern status.
- 2) a) The Inventories lying with the company are reported to have been physically verified by the Management, during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the Physical stocks and the book records were not material.
- 3) According to the records of the company as produced before us and according to the information and explanations given to us, the company has, during the year, neither granted nor taken any loan, Secured or Unsecured, to/from the Companies, Firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956 and, accordingly, Provisions of clause 4(iii) of the order are not applicable.
- 4) In our opinion and on the basis of test checks carried out by us and according to the information and explanations given to us and considering the explanation given by the Management where alternative sources and/or evidences not being available, it appears that there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods, as applicable to it.  
Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of continuous major weakness in the aforesaid Internal control procedure.
- 5) a) According to the information and explanations given to us and on the basis of our examination, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us and on the basis of test check carried out by us, it appears that the transactions made in pursuance of contracts or arrangements exceeding the value of rupees five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the company has not accepted deposit from the public during the year under the provision of section 58A or 58AA and other relevant provisions of the Companies Act, 1956, read with the rules framed there under.
- 7) The Internal Audit is conducted departmentally. However, the System needs improvement.
- 8) On the basis of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed for the maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- 9) a) According to the information and explanations given to us and according to the books and records produced before us and examined by us, in our opinion, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Service Tax and Cess were in arrears, as at 31.03.2011 for a period of more than six months from the date they became payable.
- 10) In our opinion, the company does not have any accumulated losses. The Company has not incurred cash loss during the financial year covered by our audit but incurred Cash Loss of ₹ 54,267/- during the immediately preceding financial year.
- 11) According to the records of the Company and as per the information and explanation given to us, the Company has not taken any loan from the Financial Institutions, Banks or Debenture Holders during the year.
- 12) According to the information and explanation given to us, the company has not granted any loan or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) According to the information and explanation given to us, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- 14) In respect of dealing / trading in Shares, Securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and other securities have been held by the Company in its own name except to the extent of exemption granted u/s 49 of the Companies Act, 1956.
- 15) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 16) On the basis of records examined by us and information and explanations given to us, the company has not obtained any term loan during the year.
- 17) We have been informed by the Management that no short-term funds have been used for Long Term Investment.
- 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained u/s 301 of the Companies Act, 1956.
- 19) The Company did not have any outstanding debentures during the year.
- 20) The Company has not raised any money by Public issue during the year.
- 21) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

**For KHETAWAT & CO.**  
**Chartered Accountants**  
**Regn. No. 313185E**

*R. K. Khetawat*

**(R. K. KHETAWAT)**  
**Partner**  
**M.No. 051357**

**Place: Kolkata**

**Date: 30 AUG 2011**



**JECO EXPORTS & FINANCE LTD.**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
<b>SOURCES OF FUNDS</b>			
<b>A) SHAREHOLDERS' FUNDS</b>			
Share Capital	1	14,820,000	14,820,000
Reserve & Surplus	2	3,937,608	2,617,143
		<u>18,757,608</u>	<u>17,437,143</u>
<b>APPLICATION OF FUNDS</b>			
<b>A) FIXED ASSETS</b>			
a) Gross Block		1,383,564	1,679,707
b) Less: Depreciation		<u>885,277</u>	<u>1,118,277</u>
c) Net Block		498,287	561,430
<b>B) INVESTMENTS</b>	4	18,786,730	18,304,026
<b>C) DEFERRED TAX ASSETS</b>		393,284	274,344
<b>D) CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Inventories	5	83,288	99,587
b) Sundry Debtors	6	18,933	-
c) Cash & Bank balances	7	72,769	59,288
d) Other Current Assets	8	532,756	662,454
e) Loans & Advances	9	<u>81,284</u>	<u>93,292</u>
	A	<u>789,030</u>	<u>914,621</u>
<b>E) LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
a) Current Liabilities	10	430,503	223,545
b) Provisions	11	<u>1,279,220</u>	<u>2,393,735</u>
	B	<u>1,709,723</u>	<u>2,617,278</u>
<b>NET CURRENT ASSETS</b>	A-B	(920,693)	(1,702,657)
		<u>18,757,608</u>	<u>17,437,143</u>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>			
	16		

The Schedules referred to above form part of the Balance Sheet.

Signed in terms of our report of even date annexed hereto

**For KHETAWAT & CO.**

Chartered Accountants

*Notarized*

(RAJ KUMAR KHETAWAT)

(Partner)

M.No 051357

Kolkata

Dated: **30 AUG 2011**

For and on behalf of the Board

DIRECTORS

**For JECO EXPORTS & FINANCE LIMITED**

*Moulesher Shyamsundar*  
**DIRECTOR**

**For JECO EXPORTS & FINANCE LIMITED**

*Anil Kumar Saha*  
**DIRECTOR**



**JECO EXPORTS & FINANCE LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	For The Year Ended 31.03.2011 ₹	For The Year Ended 31.03.2010 ₹
<b>INCOME</b>			
Sales		675,066	459,918
Increase in Stock	12	-	59,237
Interest & Dividend	13	589,638	565,297
Other Income	14	4,644	131,186
		<u>1,269,348</u>	<u>1,215,623</u>
<b>EXPENDITURE</b>			
Decrease in Stock	12	16,299	NIL
Purchases		566,146	461,626
Operating & Other Expenses	15	424,040	808,279
Depreciation	3	60,802	58,238
		<u>1,067,287</u>	<u>1,328,143</u>
Operating Profit		202,061	(112,505)
Provision for Tax			
Deferred Tax		118,940	208,296
Provision for diminution in value of investment		997,684	261,439
Income Tax for Earlier years		1,782	NIL
<b>PROFIT AFTER TAX</b>		<u>1,320,467</u>	<u>357,230</u>
Balance brought Forward from last Year		2,547,697	2,190,467
Balance carried forward to next year		<u>3,868,164</u>	<u>2,547,697</u>
Basic/Diluted Earning per Shares (in Rs)		<u>0.89</u>	<u>0.24</u>

**SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES TO THE ACCOUNTS** 16

The Schedules referred to above form part of the Profit & Loss Account

Signed in terms of our report of even date  
annexed hereto

For KHETAWAT & CO.  
Chartered Accountants

(RAJ KUMAR KHETAWAT)  
(Partner)

M.No 051357  
Kolkata.

Dated: **30 AUG 2011**



For and on behalf of the Board  
DIRECTORS

For JECO EXPORTS & FINANCE LIMITED

*Mouleshee Thuykumari*  
DIRECTOR

For JECO EXPORTS & FINANCE LIMITED

*Anil Kumar Saha*  
DIRECTOR



**JECO EXPORTS & FINANCE LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**  
(Pursuant to Clause 32 of the Listing Agreement with the Stock Exchange)

	<u>2010-2011</u>	<u>2009-2010</u>
<b>A: CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	202,061	(112,505)
Adjustments For :		
Depreciation	60,802	58,238
Loss on Sale of Investments	-	3,684
Loss on Sale of Asset	(2,562)	606
Dividend	(589,638)	(565,297)
	<u>(531,398)</u>	<u>(502,769)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL	(329,337)	(615,274)
(Increase)/ Decrease in Inventories	16,299	(59,237)
(Increase)/ Decrease in Debtors	(18,933)	113,253
(Increase)/ Decrease in Trade & Other Receivables	12,008	996,621
Increase/ (Decrease) in Trade & Other Payables	196,250	91,964
Increase/ (Decrease) in Provisions	(116,831)	-
Income Tax paid	154,648	(292)
Other Taxes paid	(24,950)	(2,362)
	<u>218,490</u>	<u>1,139,947</u>
Cash Flow Before Extraordinary Items	(110,846)	524,673
EXTRAORDINARY ITEMS	1,782	-
NET CASH USED IN OPERATING ACTIVITIES :	(A) <u>(109,064)</u>	<u>524,673</u>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	589,638	565,297
Sale of Asset	4,902	980
Receipt on merger	507	6,316
Purchase of Investments (Net)	(483,210)	(1,362,570)
	<u>111,837</u>	<u>(789,977)</u>
NET CASH FROM INVESTING ACTIVITIES :	(B) <u>111,837</u>	<u>(789,977)</u>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>	(C) <u>-</u>	<u>-</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,773	(265,304)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	52,656	317,960
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	<u>55,429</u>	<u>52,656</u>

We have verified the above Cash Flow Statement of M/s. JECO EXPORTS & FINANCE LTD for the year ended 31st March, 2011. The Statement, has been prepared by the Company in accordance with the requirements of listing agreements with the Stock Exchanges, and is based on and is in agreement with the corresponding Profit & Loss account & Balance Sheet of the Company covered by our report of even date to the members of the Company

For Khetawat & Co  
Chartered Accountants

(RAJ KUMAR KHETAWAT)  
( Partner)  
M.No 051357

9, Lal Bazar Street,  
Kolkata

Dated : **30 AUG 2011**

For and on behalf of the Board  
For JECO EXPORTS & FINANCE LIMITED  
Maulshree Shrivastava  
DIRECTORS

For JECO EXPORTS & FINANCE LIMITED  
Anil Kumar Saha  
DIRECTOR



**JECO EXPORTS & FINANCE LIMITED**
**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS**
**AS AT  
31.03.2011**
**AS AT  
31.03.2010**
**SCHEDULE " 1 " SHARE CAPITAL**
**Authorised :**

15,00,000 Equity Shares of Rs. 10/- each

15,000,000
15,000,000
**Issued, Subscribed and Paid Up:**

14,82,000 ( Previous year 14,82,000)

Equity Shares of Rs. 10/- each fully paid up

14,820,000
14,820,000
**SCHEDULE "2 " RESERVE & SURPLUS**
**Statutory Reserve**

As per Last Year

69,444

69,444

Profit &amp; Loss Account

3,868,164

2,547,699

(As per annexed Account)

3,937,608
2,617,143
**SCHEDULE " 3 " FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01.04.10	ADDITION DURING THE YEAR	SALE ADJ.	AS AT 31.3.11	UPTO LAST YEAR	FOR THE YEAR	SALE ADJ.	TOTAL	AS AT 31.3.11	AS AT 31.3.10
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
FACTORY BUILDING	585,932	-	-	585,932	242,813	19,569	-	262,382	323,590	343,119
PLANT & MACHINERY	30,092	-	6,097	23,995	22,774	1,140	6,097	17,817	6,178	7,318
ELECTRIC INSTALLATION	267,568	-	6,005	261,563	154,390	18,492	6,005	166,877	94,686	113,178
VEHICLES	46,780	-	46,780	-	44,440	-	44,440	-	-	2,340
FURNITURE & FIXTURE	129,278	-	40,391	88,887	121,513	1,836	40,391	82,958	5,929	7,765
OFFICE EQUIPMENT	620,057	-	196,870	423,187	532,347	19,765	196,870	355,242	67,945	87,710
<b>TOTAL</b>	<b>1,679,707</b>	<b>-</b>	<b>296,142</b>	<b>1,383,564</b>	<b>1,118,277</b>	<b>60,802</b>	<b>293,802</b>	<b>885,277</b>	<b>498,287</b>	<b>561,430</b>
PREVIOUS YEAR	1,711,417	-	31,710	1,679,707	1,090,163	58,238		1,118,277	621,254	

**JECO EXPORTS & FINANCE LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS**

	As at 31.03.2011		As at 31.03.2010	
<b><u>SCHEDULE "4" INVESTMENT</u></b>				
Long Term - Other than Trade (at cost)				
Equity Shares	Number	Amount	Number	Amount
<u>Quoted</u>		Rs.		Rs.
Alexon Extrusions Ltd.	100	1,300	100	1,300
3I Infotech Ltd.	400	37,088	400	37,088
A B B	750	138,163	750	138,163
A.J. Brothers Ltd.	200	3,000	200	3,000
Aditya Birla Nuvo Ltd.	15	2,395	15	2,395
Allahabad Bank	1,608	128,808	1,608	128,808
Alumeco	100	954	100	954
Ambuja Cements Ltd.	7,500	448,263	7,500	448,263
Ashok Leyland Ltd.	2,000	45,473	2,000	45,473
Balalore Alloys Ltd.(Formerly Ispat Alloys Ltd)	378	9,900	378	9,900
Bank of Rajasthan	-	-	3,750	179,178
BEL	75	69,204	75	69,204
BHEL	200	65,687	200	65,687
Bhoruka Aluminium Ltd.	100	2,000	100	2,000
Bombay Rayon Fashions Ltd	100	7,000	100	7,000
BPCL	160	65,990	160	65,990
HDFC Bank (Centurian Bank of Punjab Ltd.)	38	12,516	38	12,516
ICICI Bank Ltd	794	178,671	-	-
Century Extrusions Ltd.	4,830,225	6,979,871	4,830,225	6,979,871
Dabur India Ltd.	840	25,138	420	25,138
Dena Bank	3,455	98,728	3,455	98,728
Dr. Reddy	520	214,475	520	214,475
Dr. Reddy (Debenture)	3,120	-	-	-
G E Shipping	80	19,432	80	19,432
Graphite India Ltd.	500	29,159	500	29,159
Great Offshore Ltd.	20	4,979	20	4,979
Gujrat NRE Coke Ltd.(Bonus)	5,770	-	5,770	-
Gujrat NRE Coke Ltd. (Class B)	672	-	-	-
Grasim	10	12,182	10	12,182
Hindalco Industries Ltd.	1,700	115,558	1,700	115,558
Indian Hotel	1,476	109,603	1,476	109,603
Infosys	40	55,657	40	55,657
Ing Vysya Bank	568	94,750	568	94,750
Karnataka Bank	960	69,176	960	69,176
LIC Housing Finance	1,000	38,922	200	38,922
L N T	20	15,799	20	15,799
Man Aluminium Ltd.	62	-	62	-
Man Industries Ltd.	1,000	9,825	1,000	9,825
Merck Ltd.	60	31,198	60	31,198
NTPC Ltd.	838	51,956	838	51,956





**JECO EXPORTS & FINANCE LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS**

		As at 31.03.2011		As at 31.03.2010
Nalco	40	2,813	10	2,813
NHPC	200	6,831	200	6,831
Oriental Bank of Commerce	375	112,928	375	112,928
Opto Circuits	102	5,128	102	5,128
Orissa Extrusions Ltd.	100	2,235	100	2,235
Patni Engineering Ltd.	100	1,620	100	1,620
Pennar Aluminium Co.Ltd.	200	435	200	435
Pennar Profiles Ltd.(Formerly Progressive Al	50	1,405	50	1,405
Pricol	100	4,558	100	4,558
Petronet LNG Ltd.	170	11,412	170	11,412
Platinum Finance Limited.	3,000	30,000	3,000	30,000
Punj Lloyd Ltd.	50	7,000	50	7,000
Rajasthan Tube	2,000	41,510	2,000	41,510
Reliance Capital	250	43,473	250	43,473
Reliance Industries Ltd	30	17,257	30	17,257
Steel Authority of India Limited	700	42,283	700	42,283
Subham Industries Ltd.	500	5,000	500	5,000
Sudal	100	1,944	100	1,944
SBI	10	11,532	10	11,532
Tata Gloval Beverage Ltd	550	41,932	55	41,932
Thermax	500	116,033	500	116,033
Titan Industries Ltd.	22	16,019	22	16,019
U.M.S. Radio Factory Ltd.	500	32,500	500	32,500
UCO Bank	1,000	25,132	1,000	25,132
Ultra Tech Cement	5	-	-	-
Vintage Securities Ltd.	236,700	2,305,183	236,700	2,305,183
Welspun Corporation Ltd.	25	2,762	25	2,762
TOTAL (A)	(A)	12,081,745	(A)	12,082,251
Market Value of Quoted Shares		27,397,294.05		61,244,301
<b><u>UNQUOTED</u></b>				
Kutir Udyog Kendra (I) Ltd.	230,100	1,451,125	230,100	1,451,125
Vintage Capital Markets Ltd.	177,600	1,776,000	177,600	1,776,000
Century Aluminium Mfg.Co.Ltd.	325,870	3,463,860	316,770	2,980,650
Gujrat NRE Power Ltd.	1,000	14,000	1,000	14,000
TOTAL (B)	(B)	6,704,985	(B)	6,221,775
	(A+B)	18,786,730	(A+B)	18,304,026
<b><u>SCHEDULE "5" INVENTORIES</u></b>				
(as taken, valued and certified by the management)				
Stock in Trade		83,288		99,587
		83,288		99,587
<b><u>SCHEDULE "6" SUNDRY DEBTORS</u></b>				
(Unsecured, unconfirmed, considered good)				
Outstanding for more than 6 months		18,933		Nil
		18,933		NIL
<b><u>SCHEDULE "7" CASH &amp; BANK BALANCE</u></b>				
Cash in hand ( As certified by the Management)		61,722		35,777
Balance with Scheduled Banks in Current Account		11,047		23,511
		72,769		59,288



**JECO EXPORTS & FINANCE LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS**

	As at 31.03.2011	As at 31.03.2010
<b><u>SCHEDULE "8" OTHER CURRENT ASSETS</u></b>		
Income Tax		
Advance	100,292	275,128
Self Assessment	346,360	346,360
Refundable	31,001	1,387
Tax deducted at source	2,062	20,117
Advance FBT	20,188	Nil
FBT Refundable	7,583	Nil
Addl. CVD- 4%	4,504	4,504
Cess on Excise	129	129
Excise Duty- CVD	6,438	6,438
S & H Edu.Cess on Excise Duty	60	60
Cess Service Tax ( BAS)	174	174
Service Tax (BAS)	5,750	5,750
Input Tax Credit	6,337	187
CST Appeal	1,448	1,448
WBST Appeal	430	430
Cheques in Hand	Nil	342
	<u>532,756</u>	<u>662,434</u>
<b><u>SCHEDULE "9" LOANS &amp; ADVANCES</u></b>		
(Unsecured, unconfirmed considered good)		
Loans	Nil	6,000
Advances recoverable in cash or in kind or for value to be received or pending adjustment	46,784	48,292
Security deposit	34,500	39,000
	<u>81,284</u>	<u>93,292</u>
<b><u>SCHEDULE "10" CURRENT LIABILITIES</u></b>		
Sundry Creditors for Goods	155,992	48,509
Sundry Creditors for expenses	251,467	159,998
<b>Balance with Scheduled Banks:</b>		
Axis Bank	17,340	6,632
( Book overdraft, due to over issue of cheques)		
Income Tax Payable	250	Nil
FBT Payable	1,685	Nil
TDS Payable	3,769	8,406
	<u>430,503</u>	<u>223,545</u>
<b><u>SCHEDULE "11" PROVISIONS</u></b>		
Income Tax	448,421	523,732
FBT	14,585	56,105
Diminution in value of Investments	816,214	1,813,898
	<u>1,279,220</u>	<u>2,393,735</u>
<b><u>SCHEDULE "12" INCREASE/(DECREASE) IN STOCK</u></b>		
Closing Stock	83,288	99,587
Less Opening Stock	99,587	40,350
	<u>(16,299)</u>	<u>59,237</u>
<b><u>SCHEDULE " 13" INTEREST &amp; DIVIDEND</u></b>		
Dividend	589,638	565,297
	<u>589,638</u>	<u>565,297</u>
<b><u>SCHEDULE " 14" OTHER INCOME</u></b>		
Commission	Nil	130,961
Miscellaneous Receipts ( Net)	4,644	225
	<u>4,644</u>	<u>131,186</u>



**JECO EXPORTS & FINANCE LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS**

	As at 31.03.2011	As at 31.03.2010
<b><u>SCHEDULE " 15" OPERATING &amp; OTHER EXPENSES</u></b>		
Payments to and Provisions for Employees	118,131	297,032
Staff Welfare	Nil	96
Rent	112,872	171,482
Rates & Taxes	21,866	21,906
Telephone & Postage	7,858	18,895
Electricity	9,600	15,036
Traveling & Conveyance	14,626	25,425
Insurance	142	743
Bank Charges	302	4,316
Advertisement	16,028	16,233
Repairs & Maintenance	2,735	8,171
Loss on sale of Investment	Nil	3,684
Loss on sale of fixed assets	Nil	606
Directors Sitting Fees	15,000	15,000
<b><u>Payment to Auditors</u></b>		
Audit Fees	12,500	12,500
VAT Audit	2,500	5,000
Certification fee	6,000	6,000
Others	2,166	2,423
Security Transaction Tax	Nil	106
Miscellaneous Expenses	81,714	183,626
	<u>424,040</u>	<u>808,279</u>



## SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES:

#### 1) BASIS OF ACCOUNTING :

##### a) General:

The Financial Statements are prepared under the Mercantile basis and the Historical Cost Convention on the basis of 'Going Concern' Concept in accordance with generally accepted Accounting Principles and the provisions of the Companies Act, 1956 and applicable Accounting standards issued by the Institute of Chartered Accountants of India. Accounting Policies not referred to specifically otherwise, are consisted with generally accepted Accounting

##### b) Revenue Items:

Items of Incomes and Expenses are accounted for on Accrual Basis, unless otherwise specifically

##### c) Estimates:

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

#### 2) PURCHASE AND SALES

Purchase & Sale are accounted for as and when the transaction takes place/on transfer of property.

#### 3) FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation/amortisation, impairment of loss, if any. Depreciation is provided on Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 read with the Rules framed thereunder.

#### 4) IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and its value in use. In assessing the value in use, estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### 5) INVESTMENTS

a) Investments are valued at cost. However as per AS 13, Provision is made for diminution in Market value of Investment of Quoted Shares.

b) Profit/Loss is accounted for on sale / Disposal

c) Dividend is accounted for with reference to the date of receipt of dividend

#### 6) INVENTORIES

Inventories are valued at cost or net realisable value whichever is lower.

#### 7) EMPLOYEE BENEFIT

Liabilities in respect of gratuity benefit are accounted for, as and when paid.

a) Short-Term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service rendered.

b) Post employment and other long term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee(s) are paid.

#### 8) FOREIGN CURRENCY TRANSACTION:

a) Income / Expenditure received / incurred in foreign currency are accounted for at the rates prevailing on

b) Exchange difference on receipt / payment are accounted for on the date of receipt / payment and adjusted in the Profit & Loss Account. Assets and liabilities related to Foreign Currency transactions remaining unsettled at the year end are stated at year end rates.

#### 9) CONTINGENT LIABILITIES

Contingent Liabilities, if any not provided for, are disclosed by way of notes to the accountants

#### 10) PRUDENTIAL NORMS

The Company, though not mandatory required to, has followed the prudential norms for income recognition, classification of assets and provisioning requirements as prescribed by Non-Banking Financial Companies Prudential Norms (Reserve Bank of India), Directions, 1998 and as per RBI guidelines, provision for standard asset is made.

## 11) ACCOUNTING FOR TAXES ON INCOME

- Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the
- i) Payments for Tax demands on completion of assessments, legal and professional charges [including audit and tax audit fee], ex-gratia bonus, leave salary, rates & taxes and interest on income tax refunds and deposits are accounted for with reference to the dates of payments/receipts, as the case may be.
- ii) Adjustments for short/excess provisions, if any, for Income Tax/Fringe Benefit Tax for earlier years/current year are being made in accounts as and when assessments are completed.

Deferred Tax is recognised on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted / effective on the Balance Sheet date.

## B. NOTES ON ACCOUNTS:

### 1) Contingent Liabilities

Corporation Tax & interest amounting ₹ 78,310/- ( Advance paid ₹ 38,000/- ) imposed by K.M.C. for the period 2000-01 to 2004-05, against which appeal has been filed.

### 2) Employee Benefits:

The Management has certified that there are no liabilities for Gratuity/Retirement Benefits/ Leave Encashment as on

### 3) Taxation-Current Tax

In the absence of taxable income, as per certificate of the management, under the provisions of the Income Tax Act, 1961, Provision for Income Tax for the year is not required to be made in the accounts. If there be any liability, the same will be provided as and when relative assessments are completed.

4) Depreciation on Plant and Machinery has been provided as per past practice, though there was no production during the

5) The provision for diminution in value on Quoted Investments as on 31.03.2011 is ₹ 8,16,214/-

### 6) Impairment of Assets

The management has certified that no provision for impairment of loss of assets as per the provisions of AS 28 issued by the Institute of Chartered Accountants of India is required to be made in the accounts as the estimated realisable value of assets including fixed assets and inventories will be more or equal to the carrying amount stated in the Balance Sheet.

### 7) The component of Deferred Tax Asset/Liabilities are as follows:-

Particulars	Deferred Tax Assets/(Liabilities) as at 31.03.10	Current year	Deferred Tax Assets/(Liabilities) as at 31.03.11
	₹	₹	₹
Deferred Tax Assets	274,344	118,940	393,284

8) Accounts in respect of current liabilities, sundry debtors, loans, advances and deposits are subject to confirmations of respective parties.

9) In the opinion of the Management, the realisable value of current assets, loans, advances and deposits in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet. Provision for all known liabilities are provided in full in the Books of Accounts and the same are adequate and not in excess of the Sundry Creditors includes amount due for more than three years total amounts being ₹ /- (Previous Year ₹ 64,161/-)

10) The Company has classified its assets in accordance with the Prudential Norms prescribed by the RBI. As on the Balance Sheet Date, and as explained by the Management, the Company does not hold any non-performing assets.

11) Expenditure on employees drawing the amount exceeding the limit prescribe - Nil (Previous year - Nil)

12) None of the suppliers informed the company that they are Micro, Medium or Small enterprises. Accordingly information required under the Micro, Small and Medium Enterprise Development Act, 2006 could not be furnished.



13) For the purpose of calculation of Basic and Diluted Earnings per share, the following amounts are considered.

Particulars	2010-11	2009-10
	Amount	Amount
Profit considered for calculating EPS (Net Profit after Tax) (₹)	1,320,467	357,230
Weighted average number of Equity Shares (Nos.)	1,482,000	1,482,000
Nominal Value of Equity Shares	10	10
Basic and Diluted Earning per Share (₹)	0.89	0.24

14) Disclosure of Details as required by Para 9BB of Non-Banking Financial Companies, Prudential Norms (Reserve Bank) Directions, 1998

i) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:

Particulars	Amount	
	Outstanding (₹)	Overdue (₹)
a) Debentures (other than falling within the meaning of public deposits*):		
i) Secured :	Nil	Nil
ii) Unsecured:	Nil	Nil
b) Deferred Credits	Nil	Nil
c) Term Loans	Nil	Nil
d) Inter-corporate loans and borrowing	Nil	Nil
e) Commercial Paper	Nil	Nil
f) Public Deposits*	Nil	Nil
g) Other Loans	Nil	Nil

ii) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

a) In the form of Unsecured debentures	Nil	Nil
b) In the form of partly secured debentures i.e. debentures where there is a shortfall	Nil	Nil
c) Other public deposits	Nil	Nil

iii) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :

	Amount	
	Outstanding (₹)	Overdue (₹)
a) Secured	Nil	Nil
b) Unsecured	81,284	Nil

iv) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:

a) Lease assets including lease rentals under sundry debtors :		
i) Financial lease	Nil	Nil
ii) Operating lease	Nil	Nil
b) Stock on hire including hire charges under sundry debtors:		
i) Assets on hire	Nil	Nil
ii) Repossessed Assets	Nil	Nil
c) Hypothecation loans counting towards EL/HP activities		
i) Loans where assets have been repossessed	Nil	Nil
ii) Loans other than (a) above	Nil	Nil

v) Break-up of Investments :

Particulars	Current Investments		Long Term Investments	
	Quoted (₹)	Unquoted (₹)	Quoted (₹)	Unquoted (₹)
a) Shares :				
i) Equity	Nil	Nil	12,081,745	6,704,985
ii) Preference	Nil	Nil	Nil	Nil
b) Debentures and Bonds	Nil	Nil	Nil	Nil
c) Units of Mutual Fund	Nil	Nil	Nil	Nil
d) Govt. Securities	Nil	Nil	Nil	Nil
e) Others	Nil	Nil	Nil	Nil



## vi) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Category	Amount net of provisions		
	Secured (₹)	Unsecured (₹)	Total (₹)
a) Related Parties **			
i) Subsidiaries	Nil	Nil	Nil
ii) Companies in the same group	Nil	Nil	Nil
iii) Other related parties	Nil	Nil	Nil
b) Other than related parties	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## vii) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and quoted):

Category	Market Value / Break up or fair value or NAV (₹)	Book Value (Net of Provisions) (₹)
a) Related Parties **		
i) Subsidiaries	Nil	Nil
ii) Companies in the same group	Nil	6,690,985
iii) Other related parties	Nil	Nil
b) Other than related parties	27,397,294	11,279,531
<b>Total</b>	<b>27,397,294</b>	<b>17,970,516</b>

\*\* As per Accounting Standard of ICAI

## viii) Other information

Particulars	Amount (₹)
a) Gross Non-Performing Assets	
i) Related parties	Nil
ii) Other than related parties	Nil
b) Net Non-Performing Assets	
i) Related parties	Nil
ii) Other than related parties	Nil
c) Assets acquired in satisfaction of debt	Nil

15) Previous year's figures have been rearranged or regrouped, wherever deemed necessary, to make them comparable with current year's presentation.



Name of Related Parties	Relationship
(a) Disclosure of related Parties /related party transaction.	
Vintage Capital Market Ltd.	Associate Concern
Century Aluminium Manufacturing Co. Ltd.	Associate Concern
Kutir Udyog Kendra (India) Ltd.	Associate Concern
Paramsukh Properties (P) Ltd.	Associate Concern
Atash Properties & Finance Pvt. Ltd	Associate Concern
(b) Key Management Personnel & their relatives.	
Smt. Moulshree Jhunjunwala	Managing Director
Sri Vikram Jhunjunwala	Husband of M.D.
Sri Shivanshu Jhunjunwala	Son of M.D.
Sri Rishik Jhunjunwala	Son of M.D.
Sri V.K. Mohatta	Father of M.D.
Smt. Satyam Mohatta	Mother of M.D.
Sohashini Baheti	Sister of M.D.
i) Investments in Shares of Associated Concerns	₹ 6,690,985
ii) Allocation of expenses (amount paid to related party)	₹ 108,507
iii) Purchase of shares through related party	₹ 483,210

## 17) Segment Report as per Accounting Standard - 21

Business Segment							(₹ in Lacs)
Particulars	Financial year 2010-11			Financial year 2009-10			
	COMMISSION	FINANCE	TOTAL	COMMISSION	FINANCE	TOTAL	
REVENUE	-	12.69	12.69	1.31	10.25	11.56	
RESULT	-	2.02	2.02	(3.53)	2.40	(1.13)	
UNALLOCATED BUSINESS			-			-	
OPERATION PROFIT			2.02			(1.13)	
PROV. FOR INCOME TAX			-			-	
PROV. FOR FBT			-			-	
PROV. FOR DEFERRED TAX			1.19			(2.08)	
PROV. FOR DIMINUTION IN VALUE OF INVESTMENT			9.98			2.61	
NET PROFIT AFTER TAX			13.20			(0.59)	
SEGMENT ASSETS	1.18	197.22	198.40	1.47	191.57	193.04	
UNALLOCATED ASSETS			6.27			7.44	
TOTAL ASSETS			204.67			200.48	
SEGMENT LIABILITIES	-	4.07	4.07	-	20.22	20.22	
UNALLOCATED LIABILITIES			196.11			180.25	
TOTAL LIABILITIES			200.19			200.48	

## Geographic Segments

Particulars	OVERSEAS	DOMESTIC	TOTAL	OVERSEAS	DOMESTIC	TOTAL
REVENUE	-	12.69	12.69	1.31	10.25	11.56
RESULT	-	2.02	2.02	(3.53)	2.40	(1.13)
UNALLOCATED BUSINESS			-			-
OPERATION PROFIT			2.02			(1.13)
PROV. FOR INCOME TAX			-			-
PROV. FOR FBT			-			-
PROV. FOR DEFERRED TAX			1.19			(2.08)
PROV. FOR DIMINUTION IN VALUE OF INVESTMENT			9.98			2.61
NET PROFIT AFTER TAX			(9.15)			0.59
SEGMENT ASSETS	1.18	197.22	198.40	1.47	191.57	193.04
UNALLOCATED ASSETS			6.27			7.44
TOTAL ASSETS			204.67			200.48
SEGMENT LIABILITIES	-	4.07	4.07		20.22	20.22
UNALLOCATED LIABILITIES			196.11			180.25
TOTAL LIABILITIES			200.19			200.48

## 18) Payment to Auditors

	Current Year	Previous year
a) for Audit Fees	12,500	12,500
b) for Tax Audit	Nil	Nil
c) for VAT audit Fees	2,500	5,000
d) for certification	6,000	6,000
e) for Others	2,166	2,423



## 19) Details Of Foreign Currency Expenditure Earnings

Particulars	F.C.	Current Year	Type	F.C.	Previous year
Income (Commission)	0.00	-	USD	2756.16	130,960.79
		-			130,960.79

## 20) Additional information required under schedule VI of the Companies Act.1956. Particulars in respect of opening stock, purchase sales &amp; closing stock

Particulars	Opening Stock		Purchase		Sales		Closing Stock	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Thermocouple Protection Tube								
Current Year	-	-	-	-			-	-
Previous Year			-	-			-	-
Thermbond Formula Activator -Jugs								
Current Year	6	1651.26	-	-			6	1,651.26
Previous Year								
Thermbond Formula 6"L" -Bags								
Current Year	5	9889.55	-	-	-	-	5	9,889.55
Previous Year								
Thermbond Formula 6"P" -Bags								
Current Year	1	2,369.54	-	-	-	-	1	2,369.54
Previous Year								
Thimble A/S 7 Diameter - Pcs.								
Current Year	1	2,003.79	-	-	-	-	1	2,003.79
Previous Year								
T Plate 500mm dia - Pcs.								
Current Year	3	22,190.52	-	-	-	-	3	22,190.52
Previous Year								
Plastic Palls -Pcs.								
Current Year	2	574.36	-	-	-	-	2	574.36
Previous Year								
Pallet Set -Pcs.								
Current Year	1	1,148.75	-	-	-	-	1	1,148.75
Previous Year								
Plates 8" -Pcs.								
Current Year	2	251.00	-	-	-	-	2	251.00
Previous Year								
Ladder								
Current Year	34	59,508	243 Pc	566,146.00	252 Pc	675,066.00	25	43,209.61
Previous Year	-	-	-	-	-	-	-	-
Purchase related expenses and								
Excise duty considered separately								
Previous Year								
Current Year	55	99,587	243	566,146.00	252	675,066.00	46	83,288.38
Previous Year	22	40,350	233	461,626.18	202	459,918.08	55	99,587.19

**GENERAL BUSINESS PROFILE AND BALANCE SHEET ABSTRACT IS ANNEXED****Balance Sheet Abstract and Company's General Business Profile****i) Registration Details**

Registration No.	35005	State Code	21
Balance Sheet Date	31.03.2011		

**ii) Capital Raised during the year ( '000 )**

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

**iii) Position of Mobilisation and Deployment of Funds ( '000 )**

	Total Liabilities	Total Assets
	18758	18758
<u>Source of Funds</u>	Paid up Capital	Reserve & Surplus
	14820	3938
<u>Application of Funds</u>	Net Fixed Assets	Investments
	498	18787
	Net Current Assets	Misc. Expenditure
	(921)	NIL
	Deferred Tax	
	394	
<u>Performance of Company ( '000 )</u>	Turnover	Total Expenditure
	1269	1067
	Profit/Loss Before Tax	Profit/Loss After Tax
	202	1320
	Earning per Share in `	Dividend
	0.89	590

**Generic Name of Three Principal Products/Services of Company monetary terms.**

Item Code No.(ITC Code)	Not Applicable
<u>Product Description</u>	Commission Agent

Item Code No. (ITC Code)	Not Applicable
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<u>Product Description</u>	Investments and dealing in shares and securities.
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Item Code No. (ITC Code)	0204
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<u>Product Description</u>	Trading of Refractory ,Ceramic, etc.
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Schedule 1 to 16 form integral part of the accounts.

Signed in terms of our report  
of even date annexed hereto

**For KHETAWAT & CO.**

Chartered Accountants

*A. K. Khataw*  
**(RAJ KUMAR KHETAWAT)**  
Partner (M.NO 051357)

Place: Kolkata

Dated :

30 AUG 2011



For and on behalf of the Board  
**For JECO EXPORTS & FINANCE LIMITED**

*Monishree Shukla*  
**DIRECTORS** **DIRECTOR**

**For JECO EXPORTS & FINANCE LIMITED**

*Anil Kumar Saha*  
**DIRECTOR**