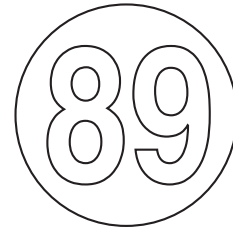


JUGGILAL KAMLAPAT
COTTON SPINNING & WEAVING
MILLS CO. LTD

ANNUAL REPORT
2011-2012



JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

BOARD OF DIRECTORS :

Dr. GAUR HARI (*Chairman, Managing Director & CEO*)

Shri YADUPATI (*Vice-Chairman*)

Shri GOVIND HARI

Shri NIDHIPATI

Dr. K. B. AGARWAL

Shri K. C. AGGARWAL (*Nominee of AFL*)

Shri ANIL GUPTA (*Nominee of BIFR*)

Dr. J. N. GUPTA

Shri LALIT MOHAN AGARWAL

CFO & COMPANY SECRETARY :

Shri S. K. KEDIA

BANKERS :

PUNJAB NATIONAL BANK

BANK OF INDIA

YES BANK LTD.

ORIENTAL BANK OF COMMERCE

ALLAHABAD BANK

ICICI BANK LTD.

IDBI BANK LTD.

AUDITORS :

MESSRS. P. L. TANDON & CO.

Chartered Accountants

REGISTERED OFFICE :

KAMLA TOWER, KANPUR

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JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

NOTICE

Notice is hereby given that the 89th Annual General Meeting of Juggilal Kamlapat Cotton Spinning & Weaving Mills Co. Ltd. will be held on Monday, the 13th August, 2012 at 12.30 P.M. at the Registered Office of the Company at Kamla Tower, Kanpur to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, Profit & Loss Statement for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Govind Hari Singhania who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Lalit Mohan Agarwal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

Notes:

1. The Register of Members and Share Transfer Books of the Company will remain closed from 8th August, 2012 to 13th August, 2012 both days inclusive.
2. Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its registered office so as to reach at least 5 days before the date of the meeting to enable the Management to keep the information ready.

3. As per provisions of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registered Office of the Company.
4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.
5. Instrument of proxy in order to be effective must be deposited at the Company's Registered Office not less than 48 hours before the meeting.
6. Copy of documents referred to herein are available for inspection by the members at the Registered Office of the Company between 10.30 A.M. to 1.30 P.M. on any working day till the date of the meeting.
7. Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of retiring Directors are given in the Report on Corporate Governance attached to the Directors' Report.

Registered Office :
Kamla Tower, Kanpur
Date : 10th July, 2012

By order of the Board
S. K. KEDIA
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. Company

The operations in the Weaving and Processing departments of Textile Unit of the Company continued during the year. However, desired results could not be achieved due to old age of plant and workforce resulting into low productivity, higher wastage of materials and production of damaged fabrics. Steps have been taken for replacement of old machines and induction of young work force. Some machines were received and installed during the year and some more machines were ordered during the year and yet to be received and installed. In the real estate segment, plans are in place for development of one property in near future,

II. General Review

The Indian Textiles Industry plays an important role in the growth of the Indian economy. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. The Indian textile industry is extremely varied, with the hand-spun and handwoven sector at one end of the spectrum, and the capital intensive, sophisticated Mill sector at the other. The decentralized power looms/hosiery and knitting sectors make the largest contribution in the textile industry. The close linkage of the industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industries of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

Textile Modernization Fund created by Government of India has been boon for Textile Industry. The Companies have gone for bigger capacities, modernization and diversification of product range by availing loan under the fund. Many of the Mills are now predominantly catering to RMG & Export segments. Some of them have gone for forward integration in garment manufacturing for domestic as well as export market. Huge expansion has taken place in capacity for specialized fabrics like Denim. Demand for premium fabrics with cotton content has

increased. Vast technological developments have taken place in processing and different types of finishing of fabrics. Technical Textiles has emerged as an independent segment throwing immense opportunities in Textile Industry. The Company has to cope up with all these developments due to gap of twenty years. It could not take advantage of Textile Modernization Fund, being a sick industrial undertaking. Yarn prices moderately came down during the current year but export of large volumes of cotton was a dampener. There is tough competition with low cost producing neighbouring countries, independent large power loom units besides the peculiar problems faced by the Company for production of quality and value added fabrics to cater to the ever demanding market.

III. Opportunities and Challenges

RMG manufacturing segment has come up in a big way in recent past. Similarly cotton fabrics are in high demand in premium segment. The Company has installed new machines in processing department for processing of cotton fabrics. Power situation in the State is too bad coupled with high cost of power. Order has been placed for new fuel efficient boiler. Majority of the workmen in the textile unit are in their 50s and are not able to give desired productivity and quality products. The gap is being met by induction of fresh personnel. Orders have also been placed for singeing machine, brush sueding & emerging machine and second hand air jet looms under EPCG Scheme.

IV Cautionary Statement

Statements in this Management Discussions and Analysis Report which seeks to describe the Company's expectations or predictions, may be considered to be 'forward looking statements' within the meaning of applicable security laws or regulations. However, actual results could or may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations also include global and Indian demand supply conditions, obsolescence of machinery, availability of spare parts for machinery, delivery schedules and commissioning of new machines on order, levels of productivity achieved, changes in government regulations, tax regimes, economic developments besides other factors such as litigation and labour matters.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their 89th Annual Report together with the audited Statements of Account of the Company for the financial year ended 31st March, 2012.

Financial Results :	2011-12	2010-11
	Rs./Lacs	Rs./Lacs
2.1 Sales	1531.82	18963.80
Profit/(Loss) before Finance		
Cost and Depreciation	(1304.65)	3916.01
Finance Cost	(45.57)	(355.28)
Profit/(Loss) before Depreciation	(1350.22)	3560.73
Depreciation	(41.98)	(16.02)
Profit/(Loss)	(1392.20)	3544.71
Adjustments relating to		
previous years	(8.10)	(4.46)
Balances written off	(0.48)	(3974.54)
Liabilities Written Back	–	26303.63
Net Profit/(Loss)	(1400.78)	25869.34
Less: Provision for Taxation		
Current Year	–	831.00
Tax Adjustment for Previous Year	232.43	–
Profit/(Loss) after Tax	(1633.21)	25038.34

2.2 The Directors are pleased to inform you that revenue from sales during the current year in textile unit increased to Rs. 15.32 Crores as compared to Rs.7.64 Crores in the previous year. During the current year the Company has not taken up significant activity in Real Estate segment. The operations in the Textile Segment have not yet stabilised due to old age of plant and workforce resulting into low productivity, high wastage of raw material and production of damaged fabrics. Cost of production further increased during the year on account of increase in dearness allowance, power consumption, coal prices and other costs. In view of continued losses in Textile Segment, the Directors are unable to recommend any dividend.

3. REHABILITATION

The rehabilitation scheme sanctioned by Hon. BIFR is under implementation. After lifting of lockout in the Mill w.e.f. 19th January, 2009, large scale maintenance & overhauling work of the Mill Buildings, Plant & Machinery and Utilities has been undertaken and new machines have been procured to replace old and obsolete one. Steps have been taken for modernization and product

diversification and Rs.16.57 crores invested in Plant & Machinery during the financial year 2011-12. Period of implementation of the rehabilitation scheme has been extended upto 30th September, 2014 by Hon. BIFR.

4. ASSETS SALE COMMITTEE

As per terms of the sanctioned Rehabilitation Scheme, an Assets Sale Committee (ASC) has been constituted and its meetings are held from time to time.

5. CORPORATE GOVERNANCE

A report on Corporate Governance is enclosed as part of the Annual Report together with the Auditors' Certificate for compliance.

6. INSURANCE

The Stocks, Buildings and Plant & Machinery have been insured against risks of fire, riot, strike etc.

7. DIRECTORS

7.1 In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Govind Hari Singhania and Shri Lalit Mohan Agarwal retire by rotation and are eligible for re-appointment.

7.2 Shri P.K.Saraf, ceased to be Director from the date of the Annual General Meeting held on 25th August, 2011 as he had shown his unwillingness to be reappointed as Director of the Company. The Board put on record their appreciation for the valuable services rendered by Shri P.K.Saraf during his tenure as Director of the Company.

7.3 Hon'ble BIFR has nominated Shri Anil Gupta as a Special Director of BIFR w.e.f. 15th February, 2012. Shri Gupta is a Textile Technology Graduate from TIT Bhiwani. He is Fellow of Institution of Engineers. He is awarded with Doctorate of Science in Management (accredited) by Dublin University, California, USA. He has wide experience in Managing Process Houses and marketing of capital equipment.

7.4 Shri R.K.Saxena has ceased to be director of the Company w.e.f. 28th May, 2012 due to his resignation. The Board put on record their appreciation for the valuable services rendered by Shri R.K.Saxena during his tenure as Director of the Company.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earning and out go in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988 in respect of Textile unit are annexed and form part of the Report.

9. PUBLIC DEPOSITS

Your Company has not invited any deposits from public/ shareholders in accordance with Section 58A of the Companies Act, 1956.

10. PARTICULARS OF EMPLOYEES

There are no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956.

11. AUDITORS

- 11.1 Observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts and call for no further comments.
- 11.2 You are requested to appoint Auditors for the current year and to fix their remuneration. The present Auditors, M/s. P.L.Tandon & Co., Chartered Accountants, retire from their office. They are, however, eligible for re-appointment and have furnished a certificate to the effect that their re-appointment will be in accordance with the provisions of sub-section (1B) of Section 224 of the Companies Act, 1956.

12. DIRECTORS' RESPONSIBILITY STATEMENT

As mentioned in para 3 above, Rehabilitation Scheme sanctioned by Hon'ble BIFR is Still under implementation. The write back of liabilities to remaining lenders would be given effect to upon final payment of OTS amount to them Subject to this, the Directors state that :-

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed except those mentioned in the notes to the Accounts.
- ii) The Directors have adopted such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2011-12 and of the profit/loss of the Company for the year.

iii) The Directors have taken proper and sufficient care to the extent possible in view of the prolonged closure of the Company's Mill, for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The Directors have prepared the Annual Accounts on a going concern basis.

13. COST AUDITORS

Cost Audit records have been maintained in respect of Textile unit of the Company for F.Y. 2011-12. Pursuant to directives of the Central Government and provisions of Section 233B of the Companies Act 1956, qualified Cost Auditors have been appointed to conduct the cost audit of Textile unit for F.Y. 2011-12.

14. LISTING ARRANGEMENT

At present the Company's shares are listed with Stock Exchanges at Delhi and Kanpur. The Company has paid listing fee for Financial Year 2011-12 to both the Stock Exchanges.

15. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received from bankers, government authorities, customers, agents, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services rendered by the executives, staff and workers of the Company.

Registered Office :
Kamla Tower,
Kanpur
Date : 28th May, 2012

For and on behalf of the Board

GAUR HARI
Chairman & Managing Director

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

ANNEXURE-1 TO THE DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

A. CONSERVATION OF ENERGY

Following conservation measures were taken up during the year

1. Installation of Variable Frequency Drive (VFD) on J T-10 and Jumbo Jigger Machine.
2. All the new machines are controlled by VFD.
3. Replacement of 55 watt tube light fittings by 36 watt/ 28 watt tube light fittings.
4. Replacement of lighting lamps and tube lights by CFL.

5. Installed automatic power factor control panel to maintain the power factor at 0.99 instead of 0.94.

B. TECHNOLOGY ABSORPTION

Particulars with respect to adopt the latest Technology Absorption, Research and Development.

The Company continues to adopt the latest technology in the textile industry and provides latest platforms to the employees to execute their duties.

C. FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Foreign Exchange Earning :- NIL
- (b) Foreign Exchange Used :- Mentioned in Notes on Accounts

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2011-2012	2010-2011
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(A) Purchased:		
Textile Segment		
Units/KWH (000)	4198.67	4038.12
Total Amount (₹ in Lacs)	230.32	239.22
Rate/Unit (₹)	5.49	5.92
(B) Own Generation		
Textile Segment		
(Through Diesel Generator)		
Units/KWH (000)	185.82	262.12
Unit per litre of Diesel	3.11	1.92
Rate/Unit (₹)	13.50	19.77
2. Coal		
Textile Segment		
Quantity (MT)	4527	3509
Total Cost (₹ in Lacs)	344.72	201.61
Average Rate (₹ per MT)	7614.80	5745.43
3. Diesel		
Textile Segment		
Quantity (Ltrs)	59800	136232
Total Cost (₹ in Lacs)	25.09	51.70
Average Rate (₹ per Ltrs)	41.96	37.95
B. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity		
Cloth (KWH/Metre)	2.06	1.47

REPORT ON CORPORATE GOVERNANCE

In compliance with the requirements of clause 49 of the Listing Agreement with the Stock Exchanges, your Company submits the Annual Report on Corporate Governance.

1. Company philosophy on code of Governance

We view Corporate Governance in its widest sense, almost like trusteeship. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's object with a view to translate opportunity into reality.

Your Company continues to follow procedures and practice in conformity with the Code of Corporate Governance as outlined in clause 49 of the Listing Agreement.

2. Board of Directors

(a) Composition/Category

The strength of the Board of Directors as on 31st March, 2012 is 10 (Ten). The composition is given below :-

- One Promoter, Executive, Non-independent Director
- Three Promoters, Non-Executive, Non-independent Directors
- Six Independent, Non-Executive Directors

The composition of the Board of Directors, the number of Directorship on the Board and Board Committees of other companies, of which the Directors are Members/Chairman under Report is given as under :-

Sl. No.	Name of Director	Category	Inter-se Relationships between Directors		No. of other Directorships@	No. of Board Committees (Other than J.K. Cotton) in which\$	
			Director with whom related	Relation		Chairman	Member
1.	Dr. Gaur Hari Singhania <i>Chairman, Managing Director and CEO</i>	Promoter, Executive, Non Independent	Shri Govind Hari Shri Yadupati	Brother Son	5	-	-
2.	Shri Yadupati Singhania <i>Vice Chairman</i>	Promoter, Non-Executive, Non Independent	Dr. Gaur Hari	Father	9	-	-
3.	Shri Govind Hari Singhania	Promoter, Non-Executive, Non Independent	Dr. Gaur Hari	Brother	1	-	-
4.	Shri Nidhipati Singhania	Promoter, Non-Executive, Non Independent	-	-	-	-	-
5.	Dr. K. B. Agarwal	Non-Executive, Independent	-	-	3	2	2
6.	Dr. J. N. Gupta	Non-Executive, Independent	-	-	1	-	-
7.	Shri K. C. Aggarwal Nominee of AFL	Non-Executive, Independent	-	-	1	-	-
8.	Shri Lalit Mohan Agarwal	Non-Executive, Independent	-	-	-	-	-
9.	Shri R.K. Saxena	Non-Executive, Independent	-	-	-	-	-
10.	Shri Anil Gupta* Nominee of BIFR	Non-Executive, Independent	-	-	6	1	2
11.	Shri P.K. Saraf#	Non-Executive, Non-Independent	-	-	-	-	-

* Appointed as Director w.e.f 15th February, 2012

Ceased to be Director w.e.f. 25th August, 2011

@ Excluding Private Limited Companies and Companies registered under section 25 of the Companies Act, 1956

\$ Chairman/Membership of Audit Committee and the Shareholders' Grievance Committee alone has been considered.

(b) Attendance of each director at the Board Meeting and at the last Annual General Meeting

During the financial year ended 31st March, 2012, four Board Meetings were held on the following dates :-

- a) 27th May, 2011

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

- b) 12th August, 2011
- c) 4th November, 2011
- d) 8th February, 2012

Attendance of each director at the Board Meetings and at the last Annual General Meeting was as under :

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at the Last AGM held on 25.08.11
1.	Dr. Gaur Hari Singhania	3	NO
2.	Shri Yadupati Singhania	2	NO
3.	Shri Govind Hari Singhania	3	NO
4.	Shri Nidhipati Singhania	1	YES
5.	Dr. K.B.Agarwal	3	YES
6.	Dr. J.N.Gupta	3	YES
7.	Shri K.C.Aggarwal	1	NO
8.	Shri Lalit Mohan Agarwal	3	NO
9.	Shri R.K.Saxena	4	YES
10.	Shri Anil Gupta*	0	NO
11.	Shri P.K.Saraf#	2	YES

* Appointed as Director w.e.f. 15th February, 2012

Ceased to be Director w.e.f. 25th August, 2011

c) The details of number of Equity Shares of the Company held by Non-Executive Directors are as under :

Sl.No.	Name of Director	No. of Equity Shares held
1.	Shri Yadupati Singhania	4075000
2.	Shri Govind Hari Singhania	12326
3.	Shri Nidhipati Singhania	-
4.	Dr. K.B.Agarwal	5
5.	Dr. J.N.Gupta	-
6.	Shri K.C.Aggarwal	-
7.	Shri Lalit Mohan Agarwal	-
8.	Shri R.K.Saxena	2
9.	Shri Anil Gupta*	-
10.	Shri P.K.Saraf#	-

* Appointed as Director w.e.f. 15th February, 2012

Ceased to be Director w.e.f. 25th August, 2011

3. Audit Committee

(a) Composition of the Committee and Broad Terms of Reference

The Audit Committee of the Company comprises of the following Directors:

Dr. J.N.Gupta	: Independent, (Chairman) Non-Executive Director
Dr. K.B.Agarwal	: Independent, Non-Executive Director
Shri R.K.Saxena	: Independent, Non-Executive Director

All these Directors possess knowledge of Corporate Finance / Accounts/ Company law / Industry. The Secretary of the Company is Secretary for Audit Committee.

The terms of reference of Audit Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956.

(b) Meetings/Attendance

During the financial year ended 31st March, 2012, four meetings were held on 27th May 2011, 6th August 2011, 4th November 2011 and 8th February 2012.

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Dr. J. N. Gupta	4
Dr. K.B. Agarwal*	1
Shri R.K. Saxena	4
Shri P.K. Saraf#	2

* Appointed as Member of the Audit Committee w.e.f. 12th August, 2011

Ceased to be Member w.e.f. 12th August, 2011

4. Remuneration Committee

The Company is not paying any remuneration to Executive and Non-Executive Directors except sitting fees to Non-Executive Directors. Hence, the Company has not constituted any Remuneration Committee, which is also optional as per Clause 49 of the Listing Agreement with Stock Exchanges.

Details of Remuneration to the Directors for the year ended 31st March, 2012

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1.	Dr. Gaur Hari Singhania @	-	-	-	-
2.	Shri Yadupati Singhania	-	-	10600	10600
3.	Shri Govind Hari Singhania	-	-	15000	15000
4.	Shri Nidhipati Singhania	-	-	5000	5000
5.	Dr. K.B.Agarwal	-	-	16000	16000
6.	Dr. J.N.Gupta	-	-	21000	21000
7.	Shri K.C.Aggarwal	-	-	5000	5000
8.	Shri Lalit Mohan Agarwal	-	-	19000	19000
9.	Shri R.K.Saxena	-	-	26000	26000
10.	Shri Anil Gupta *	-	-	-	-
11.	Shri P.K.Saraf #	-	-	14000	14000

@ No Sitting Fees was payable w.e.f. 30.10.2007 on appointment as Managing Director

* Appointed as Director w.e.f. 15th February, 2012

Ceased to be Director w.e.f. 25th August, 2011

5. Shareholders' Grievance Committee

(a) Composition

The Committee comprises of following Directors :

Dr. J.N. Gupta (Chairman)	: Independent, Non-Executive Director
Shri Lalit Mohan Agarwal	: Independent, Non-Executive Director
Shri R.K. Saxena	: Independent, Non-Executive Director

The Secretary of the Company is compliance officer of the Committee.

(b) Functions

To review the status of shareholders'/ Investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company had not received any complaint during the Financial Year 2011-12 and no complaint was pending as at the beginning and at the end of the Financial Year 2011-12.

(c) Meetings/Attendance

During the financial year ended 31st March, 2012, four meetings were held on 27th May 2011, 12th August 2011, 4th November 2011 and 8th February 2012.

The attendance at the Committee Meetings was as under:

Name of Director	No. of Meetings attended
Dr. J.N. Gupta	2
Shri R.K. Saxena*	2
Shri. Lalit Mohan Agarwal	4
Shri P.K. Saraf #	2

* Appointed as Member w.e.f. 12th August, 2011

Ceased to be Member w.e.f. 12th August, 2011.

6. General Body Meetings

Dates and time of last three Annual General Meetings held are given below :

Financial Year	Date	Time	Place
2008-09	23rd September, 2009	1.00 pm	Registered Office, Kamla Tower, Kanpur
2009-10	27th September, 2010	2.00 pm	Registered Office, Kamla Tower, Kanpur
2010-11	25th August, 2011	1.00 pm	Registered Office, Kamla Tower, Kanpur

Special Resolution passed at the last three AGM

Date	Short particulars of Special Resolution passed at the AGM
23rd September, 2009	1. Extension of date of redemption of Preference Shares.
27th September, 2010	2. Alteration of Article 4 (3)(C) of Articles of Association
25th August, 2011	Increase in borrowing powers of the Company No Special Resolution was passed

Further, no Special Resolution was put through postal ballot as required under the provisions of Section 192A of the Companies Act, 1956 last year nor it is proposed this year.

7. Disclosures

- There was no significant transaction of material nature with the related parties viz. Promoters, Directors or the Management or their subsidiaries or relatives during the year that has potential conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS18) have been made in the Annual Report.
- There are no pecuniary relationship or transactions of non-executive directors vis-à-vis the Company that have potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by SEBI or any Stock Exchange or any statutory authority on any matter related to capital market during the last three years.
- The Company has complied with the non-mandatory requirements of Clause 49 of the Listing Agreement as far as possible.
- Disclosures regarding appointment or reappointment of Directors:

According to the Articles of Association of the Company, two directors viz. Shri Govind Hari Singhania and Shri Lalit Mohan Agarwal will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Directors are given below :

- Shri Govind Hari Singhania** is Bachelor of Arts. He is associated with the Company as promoter Director Since 1958. He has wide experience in man made fiber and textile industry. He is Vice Chairman in Jaykay Enterprises Ltd. He is Chairman, Governing Body of J.K. Education Foundation and Chairman, Governing Body of Sir Padampat Singhania M.E. Foundation.
- Shri Lalit Mohan Agarwal** is M. Sc.(Physics). He has wide experience of production and labour matters in Jute industry.

8. Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management.

A copy of the Code of Conduct has been put on the Company's website www.jkcotton.com

The Code of Conduct has been circulated to all the members of the Board and Senior Management personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman, Managing Director & CEO in this regard is given below:

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

"I, Dr. Gaur Hari Singhania, Chairman, Managing Director & CEO of Juggilal Kamlapat Cotton Spg. & Wvg. Mills Co. Ltd. hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2011-12."

Dr Gaur Hari Singhania
(Chairman, Managing Director & CEO)

9. Means of Communications

The Annual, Half Yearly and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement and the same are published regularly in the newspapers. All vital information relating to the Company and its performance, including quarterly results etc. are also posted on the Company's website www.jk cotton.com

10. CEO/CFO Certification

A Certificate in accordance with provision of Clause 49(V) of the Listing Agreement in respect of the Financial Year 2011-12 duly signed by the CEO and CFO has been placed before the Board in the meeting held on 28th May, 2012.

11. General Shareholders Information

a) Annual General Meeting

Date /Time : Monday 13th August, 2012 / 12.30 P.M.
Venue : At the Registered Office of the Company,
Kamla Tower, Kanpur

b) Financial Calendar

- | | | |
|--------------------------------|----------------|---------------------|
| (1) First Quarter Results | - On or before | 14th August, 2012 |
| (2) Second Quarter Results | - On or before | 14th November, 2012 |
| (3) Third Quarter Results | - On or before | 14th February, 2013 |
| (4) Results of the year ending | - On or before | 31st March, 2013 |
| | | 30th May 2013 |

c) Date of Book Closure :

8th August, 2012 to 13th August, 2012
(Both Days Inclusive)

d) Dividend payment date :

Not applicable (No dividend is proposed)

e) Listing Information

The details regarding payment of listing fee to the Stock Exchanges is given below:

Sl.No.	Name of Stock Exchange	Listing Fee paid upto	Stock Code No.
1.	U.P. Stock Exchange Ltd.	2011-12	J00011
2.	Delhi Stock Exchange Ltd.	2011-12	3114

f) Share Market Data

SEBI has categorized the Company's securities under compulsory demat trading on rolling basis. However, NSDL/CDSL have declined the Company's request for dematerialisation of its shares on the ground that its net worth was negative. Hence, there has not been any trading in Stock Exchange in the shares of the Company during the year.

g) Registrar/Transfer Agent

M/s Jaykay Enterprises Ltd. (Formerly J.K. Synthetics Ltd.), having Registered Office at Kamla Tower, Kanpur is Registrar/Transfer Agent of the Company, who provides all services for Share registry in physical segment.

h) Share Transfer System

Share Transfer work of physical segment is attended to by the Company's Registrar & Transfer Agents within the prescribed period under law and the Listing Agreements with Stock Exchanges. All share transfer etc. are approved by a committee of Directors, which meets periodically.

i) Distribution of Shareholding as on 31st March, 2012

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	7759	96.29	750201	3.18
501 to 1000	177	2.20	136379	0.58
1001 to 2000	49	0.61	68662	0.29
2001 to 3000	19	0.24	46851	0.20
3001 to 4000	10	0.12	35138	0.15
4001 to 5000	3	0.04	13550	0.06
5001 to 10000	14	0.17	98319	0.42
10001 and above	27	0.33	22428650	95.12
Total	8058	100.00	23577750	100.00

j) Category wise Shareholding-Equity as on 31st March, 2012

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Promoters and Promoter Group	18	0.22	21723365	92.14
Mutual Funds/UTI	-	-	-	-
Financial Institutions/Banks	18	0.22	6239	0.03
Insurance Companies	4	0.05	99142	0.42
FIs	-	-	-	-
Bodies Corporate	94	1.17	427735	1.81
Individuals	7918	98.26	1120269	4.75
Others	6	0.08	201000	0.85
Total	8058	100.00	23577750	100.00

k) Dematerialisation of Shares :

The Company is a sick industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had approached the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialisation of its equity shares. However, NSDL and CDSL have declined the Company's request on the ground that its net worth was negative.

l) Plant Location

Cotton Textile Unit is situated at 84/50, Kalpi Road, Kanpur and some of the machines are installed at J.K. Manufacturers premises at 84/29, Kalpi Road, Kanpur.

m) Address for Correspondence

J. K. Cotton Spg. & Wvg. Mills Co. Ltd.
Kamla Tower, Kanpur-208001
Tele. No. (0512) 2371478-481
Fax. (0512) 2399854

n) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review the Company has transferred ₹ 3,44,012 and ₹ 13,24,737 lying in the unclaimed matured Debentures and Public Deposits respectively to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To, The Members of
JUGGILAL KAMLAPAT COTTON SPINNING AND
WEAVING MILLS COMPANY LIMITED.

We have examined the compliance of conditions of Corporate Governance by JUGGILAL KAMLAPAT COTTON SPINNING AND WEAVING MILLS COMPANY LIMITED as at 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor Grievances were pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.L. TANDON & CO.,
Chartered Accountants.
Firm Reg. No. 000186C
(RAJENDRA GUPTA)
Partner
Membership No. 073250

Place : Kanpur
Date : 28.05.2012

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

BALANCE SHEET
AS AT 31ST MARCH, 2012

	Note No.	As at 31.3.2012 (₹)	As at 31.3.2011 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	23,73,49,500	23,73,49,500
(b) Reserves & Surplus	2	<u>38,60,78,569</u>	<u>54,93,99,702</u>
		<u>62,34,28,069</u>	<u>78,67,49,202</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	20,00,00,000	-
(b) Other Long Term Liabilities	4	24,45,939	24,45,939
(c) Long Term Provisions	5	<u>2,40,07,312</u>	<u>2,51,30,515</u>
		<u>22,64,53,251</u>	<u>2,75,76,454</u>
(3) Current Liabilities			
(a) Short Term Borrowings	6	94,85,35,643	1,02,20,64,648
(b) Trade Payables	7	4,75,62,306	1,87,20,054
(c) Other Current Liabilities	8	5,21,35,392	3,07,21,765
(d) Short Term Provisions	9	67,04,487	79,59,214
		<u>1,05,49,37,828</u>	<u>1,07,94,65,681</u>
Total		<u>1,90,48,19,148</u>	<u>1,89,37,91,337</u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		17,13,11,373	4,84,26,413
(ii) Capital Work-In-Progress		5,00,63,692	33,00,032
(b) Non Current Investments	11	9,86,671	9,89,171
(c) Long Term Loans and Advances	12	<u>7,37,13,123</u>	<u>75,86,811</u>
		<u>29,60,74,859</u>	<u>6,03,02,427</u>
(2) Current Assets			
(a) Inventories	13	1,46,69,73,738	1,48,88,88,808
(b) Trade Receivables	14	2,68,00,515	1,91,21,988
(c) Cash and Cash Equivalent	15	7,83,04,061	27,36,09,591
(d) Short Term Loans and Advances	16	3,42,60,145	4,51,44,022
(e) Other Current Assets	17	24,05,830	67,24,501
		<u>1,60,87,44,289</u>	<u>1,83,34,88,910</u>
Total		<u>1,90,48,19,148</u>	<u>1,89,37,91,337</u>
Significant Accounting Policies & Notes on the Financial Statements	1 to 26		

As per our Report of even date.

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 28th May, 2012

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Company Secretary

YADUPATI
K. B. AGARWAL } Directors
J. N. GUPTA }

PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year Ended 31.3.2012 (₹)	Year Ended 31.3.2011 (₹)
I. Revenue from operations	18	15,31,82,053	1,89,63,79,936
II. Other Income	19	10,77,85,600	3,24,60,724
III. Total Revenue		26,09,67,653	1,92,88,40,660
IV. Expenses			
Cost of Materials Consumed	20	14,46,15,496	10,50,54,842
Purchases of Stock-In-Trade		21,71,119	28,47,735
Changes in Inventories of Finished Goods, Work-In-Progress and Stock In Trade	21	1,32,07,362	(14,01,44,363)
Employee Benefits Expense	22	8,28,35,275	6,49,01,348
Finance Costs	23	45,56,854	3,55,27,811
Depreciation and Amortization Expense		41,98,281	16,02,099
Other Expenses	24	14,86,03,173	1,50,45,80,811
Total Expenses		40,01,87,560	1,57,43,70,283
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		(13,92,19,907)	35,44,70,377
VI. Exceptional Items	25	(8,58,151)	2,23,24,63,711
VII. Profit/(Loss) Before Tax		(14,00,78,058)	2,58,69,34,088
VIII. Tax Expenses			
a) Current Tax		-	8,31,00,000
b) Tax Adjustment for Earlier Year		2,32,43,075	-
IX. Profit/(Loss) for the Period		(16,33,21,133)	2,50,38,34,088
X. Earning per Equity Share of face value of ₹ 10/- each			
Basic & Diluted		(6.93)	106.19
Significant Accounting Policies & Notes on the Financial Statements	1 to 26		

As per our Report of even date.

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 28th May, 2012

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Company Secretary

YADUPATI
K. B. AGARWAL } Directors
J. N. GUPTA }

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012 (₹)	2010-2011 (₹)
A. Cash Flow from Operating Activities		
Profit/(Loss) before Tax	(14,00,78,058)	2,58,69,34,088
Adjustments for:		
Depreciation	41,98,281	16,02,099
Profit on Sale of Assets	(7,23,16,142)	(95,99,733)
Interest income	(78,79,635)	(99,16,450)
Interest expenses	30,15,367	3,45,69,082
Bad Debts Written Off	-	39,72,40,959
Fixed Assets Written Off	-	1,28,009
Advances/Balances Written Off	14,76,637	85,166
Provision for Doubtful Debts	5,63,908	-
Fixed Assets Transferred to Stock/Others	3,00,515	4,95,332
Liabilities Written Back	-	(2,63,03,63,415)
Operating Loss before Working Capital Changes	<u>(21,07,19,127)</u>	<u>37,11,75,137</u>
(Increase)/Decrease in Inventories	2,19,15,070	1,20,08,39,512
(Increase)/Decrease in Trade & Other Receivables	(6,44,25,295)	(6,31,09,176)
Increase/(Decrease) Trade Payable & Other liabilities	4,80,95,954	(10,52,08,353)
Cash Utilised in Operations	<u>(20,51,33,398)</u>	<u>1,40,36,97,120</u>
Taxes Paid	(2,32,43,075)	(8,31,00,000)
Net Cash Used in Operating Activities	<u>(22,83,76,473)</u>	<u>1,32,05,97,120</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(17,79,53,529)	(1,57,55,618)
Interest Income	1,16,62,094	60,03,789
Decrease in Investments	2,500	-
Sale of Fixed Assets	7,61,22,255	1,01,04,982
Net Cash used in Investing Activities	<u>(9,01,66,680)</u>	<u>3,53,153</u>
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Secured Loan	(7,35,29,005)	7,35,29,005
Proceeds from Unsecured Loan	20,00,00,000	6,20,00,000
Repayments of Unsecured Loan	-	(46,09,01,684)
Repayments of Loan (OTS)	-	(46,82,02,994)
Interest paid	(32,33,372)	(25,50,73,599)
Net Cash Flow from Financing Activities	<u>12,32,37,623</u>	<u>(1,04,86,49,272)</u>
Net Increase/(Decrease) in Cash & Cash equivalents	(19,53,05,530)	27,23,01,001
Opening Balance of Cash & Cash equivalents	27,36,09,591	13,08,590
Closing Balance of Cash & Cash equivalents	7,83,04,061	27,36,09,591

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 28th May, 2012

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Company Secretary

YADUPATI
K. B. AGARWAL } Directors
J. N. GUPTA }

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.3.2012 (₹)	As at 31.3.2011 (₹)		
1. SHARE CAPITAL				
AUTHORISED :				
24500000 Equity Shares of ₹ 10/- each	24,50,00,000	24,50,00,000		
5000 6% Cumulative Preference Shares of ₹ 100/- each	5,00,000	5,00,000		
6000 8.5% Cumulative Preference Shares of ₹ 100/- each	6,00,000	6,00,000		
4720 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	4,72,000	4,72,000		
34280 14% Cumulative Redeemable Preference Shares of ₹ 100/- each	34,28,000	34,28,000		
TOTAL	25,00,00,000	25,00,00,000		
ISSUED, SUBSCRIBED AND PAID-UP :				
23577750 Equity Shares of ₹10/- each	23,57,77,500	23,57,77,500		
5000 6% Cumulative Preference Shares of ₹ 100/- each	5,00,000	5,00,000		
6000 8.5% Cumulative Preference Shares of ₹ 100/- each	6,00,000	6,00,000		
4720 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	4,72,000	4,72,000		
TOTAL	23,73,49,500	23,73,49,500		
 (a) The reconciliation of the number of shares outstanding is set out below -				
	Equity No. of Shares	Preference No. of Shares		
Shares at the beginning of the year	2,35,77,750	15,720		
Shares at the end of the year	2,35,77,750	15,720		
 (b) Preference shares of ₹ 15,72,000/- will be due for redemption on 30.09.2014.				
 (c) Details of Shareholders holding more than 5% Shares of the Company -				
	% of holding	31.3.2012 No. of Shares	% of holding	31.3.2011 No. of Shares
EQUITY SHARES				
1. M/s Yadu International Ltd.	7.30	17,20,000	7.30	17,20,000
2. Mrs. Sushila Devi Singhania	8.04	18,95,000	8.04	18,95,000
3. Dr. Gaur Hari Singhania	8.33	19,63,246	8.33	19,63,246
4. Mrs. Kavita Singhania	9.97	23,50,000	9.97	23,50,000
5. Mr. Yadupati Singhania	17.28	40,75,000	17.28	40,75,000
6. M/s Jaykay Enterprises Ltd.	40.34	95,10,360	40.34	95,10,360
PREFERENCE SHARES				
1. 6% Cumulative Preference Shares of ₹ 100/- each				
(i) M/s Life Insurance Corporation of India	100	5,000	100	5,000
2. 8.5% Cumulative Preference Shares of ₹ 100/- each				
(i) National Insurance Co. Ltd.	66.67	4,000	66.67	4,000
(ii) Surya Commercials Ltd.	31.25	1,875	31.25	1,875
3. 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each				
(i) Lala Kailashpat Singhania Sports Foundation	5.28	249	5.28	249
(ii) Shri Lakshmiapat Singhania Education Foundation	8.41	397	8.41	397
(iii) Surya Commercial Ltd.	75.00	3,540	75.00	3,540

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

	As at 31.03.2012		As at 31.03.2011	
2. RESERVES AND SURPLUS	₹	₹	₹	₹
Capital Reserve				
As per last Balance Sheet	1,36,63,34,372		1,10,57,51,313	
Add: Addition during the year	—		1,35,92,85,153	
	<u>1,36,63,34,372</u>		<u>2,46,50,36,466</u>	
Less: Transfer to Profit & Loss A/c	—	1,36,63,34,372	<u>1,09,87,02,094</u>	1,36,63,34,372
Capital Redemption Reserve				
As per last Balance Sheet		31,86,800		31,86,800
Share Premium Account				
As per last Balance Sheet		2,09,98,650		2,09,98,650
Surplus				
As per last Balance Sheet	(84,11,20,120)		(4,44,36,56,302)	
Add: Transfer from Capital Reserve	—		1,09,87,02,094	
Profit/ (Loss) for the year	<u>(16,33,21,133)</u>	(1,00,44,41,253)	<u>2,50,38,34,088</u>	(84,11,20,120)
		<u>38,60,78,569</u>		<u>54,93,99,702</u>

	As at 31.3.2012 (₹)	As at 31.3.2011 (₹)
3. LONG TERM BORROWINGS		
Unsecured Loan from related person	20,00,00,000	—
	<u>20,00,00,000</u>	<u>—</u>
Repayment Schedule		

Due Dates	Oct., 2017	Oct., 2016	Oct., 2015	Oct., 2014	Oct., 2013	Total
Amount ₹	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000	20,00,00,000

4. OTHER LONG TERM LIABILITIES

Deposits	24,45,939	24,45,939
	<u>24,45,939</u>	<u>24,45,939</u>

5. LONG TERM PROVISIONS

a) Gratuity	2,15,76,277	2,33,87,970
b) Leave Encashment	24,31,035	17,42,545
	<u>2,40,07,312</u>	<u>2,51,30,515</u>

6. SHORT TERM BORROWINGS

Secured		
a) Bank Over Draft	—	7,35,29,005
b) From Others	94,85,35,643	94,85,35,643
	<u>94,85,35,643</u>	<u>1,02,20,64,648</u>

Loans from others ₹ 94,85,35,643/-

The loans secured by hypothecation of stock of raw materials, stock in process, finished goods, stock of stores & spares and book debts (present & future).

	As at 31.3.2012	As at 31.3.2011
7. TRADE PAYABLES		
a) Micro, Small and Medium Enterprises	–	–
b) Others	3,52,98,118	1,53,99,721
c) Advances from Customers	1,22,64,188	33,20,333
	4,75,62,306	1,87,20,054
8. OTHER CURRENT LIABILITIES		
a) Other Payables	3,74,28,511	2,13,32,584
b) Interest accrued and due	–	2,18,005
c) Temporary Book Overdraft from Bank	7,21,700	49,35,621
d) Unclaimed matured Debentures & Public Deposits	15,85,181	32,56,555
e) Deposits	1,24,00,000	9,79,000
	5,21,35,392	3,07,21,765
9. SHORT TERM PROVISIONS		
a) Gratuity	64,16,040	75,76,363
b) Leave Encashment	2,88,447	3,82,851
	67,04,487	79,59,214

10. FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 1.04.2011	Addi- tions	Deduc- tions/ Adjust- ments*	As at 31.3.2012	As at 1.4.2011	Provided during the year	Deduc- tions	Upto 31.3.2012	As at 31.3.2012	As at 31.3.2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land (Including Lease-hold ₹ 31,376/-)	79,90,861	–	–	79,90,861	–	–	–	–	79,90,861	79,90,861
Buildings	3,95,10,794	–	–	3,95,10,794	3,27,57,322	9,98,549	–	3,37,55,871	57,54,923	67,53,472
Plant & Machinery	56,01,61,198	12,80,08,531	7,61,22,255	61,20,47,474	52,97,52,925	28,74,553	7,23,16,142	46,03,11,336	15,17,36,138	3,04,08,273
Furniture & Fittings and Office Equipments.	16,71,800	14,40,824	–	31,12,624	6,40,761	67,947	–	7,08,708	24,03,916	10,31,039
Vehicles	23,06,255	14,39,999	–	37,46,254	63,487	2,57,232	–	3,20,719	34,25,535	22,42,768
Total	61,16,40,908	13,08,89,354	7,61,22,255	66,64,08,007	56,32,14,495	41,98,281	7,23,16,142	49,50,96,634	17,13,11,373	4,84,26,413
Machinery in Stores									–	3,00,515
Capital work in Progress										
a) Building									93,49,784	–
b) Machinery									4,07,13,908	29,99,517
									5,00,63,692	33,00,032
Previous year	61,05,26,402	1,45,75,211	1,34,60,705	61,16,40,908	57,39,44,511	16,02,099	1,23,32,115	56,32,14,495		

Notes :

- No amount has been written off from the value of leasehold land.
- * Includes ₹ 7,61,22,255/- of sale value of Fixed Assets as cost is not ascertainable.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

11. NON CURRENT INVESTMENTS	Nominal Value of each Share (₹)	No. of Shares	As at 31.03.2012		As at 31.03.2011	
			Book Value* (₹)	No. of Shares	Book Value* (₹)	No. of Shares
Other Investments - Long Term						
In Equity Shares - Quoted fully paid up						
Bengal & Assam Company Ltd.	10/-	10,351	9,00,114	10,351	9,00,114	
J.K.Lakshmi Cement Ltd.	5/-	102	2,541	102	2,541	
Accurate Finman Services Ltd.	10/-	2,070	—	2,070	—	
In Equity Shares of Associate Companies						
Quoted fully paid up						
Jaykay Enterprises Ltd.	1/-	240	9,600	240	9,600	
J.K.Cement Ltd.	10/-	48	—	48	—	
Equity Shares Unquoted fully paid up						
J.K.Investors (Bombay) Ltd.	100/-	—	—	25	2,500	
The Free India General Ins.Co.Ltd.	10/-	8,600	8,600	8,600	8,600	
The Plastic Products Ltd.(Under liquidation)	10/-	15,000	1	15,000	1	
The Muir Mills Co.Ltd.	100/-	750	1	750	1	
Preference Shares Unquoted fully paid up						
The Muir Mills Co.Ltd.	100/-	3,625	1	3,625	1	
Coats Viyella PLC	20P	17	63	17	63	
J.K.Satoh Agricultural Machines Ltd.	10/-	6,575	65,750	6,575	65,750	
			9,86,671		9,89,171	
Aggregate Market Value of Quoted Investments.			20,85,772		25,31,279	

* Investments have been valued at or below cost.

	As at 31.3.2012 (₹)	As at 31.3.2011 (₹)
12. LONG TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
a. Capital Advances	7,17,53,878	56,42,566
b. Deposits	19,59,245	19,44,245
	<u>7,37,13,123</u>	<u>75,86,811</u>
13. INVENTORIES		
a. Raw Materials	1,36,68,850	2,55,01,570
b. Finished goods	4,98,81,232	8,12,64,532
c. Goods In Process - Textiles	3,11,39,712	1,82,54,312
d. Work In Progress - Real Estate	1,36,55,90,538	1,36,03,00,000
e. Stores & Spare Parts	66,93,406	35,68,394
	<u>1,46,69,73,738</u>	<u>1,48,88,88,808</u>
14. TRADE RECEIVABLES		
Unsecured		
a. Debts outstanding for more than six months		
Considered Good	68,85,917	38,03,948
Doubtful	5,63,908	-
b. Others debts - Considered Good	1,99,14,598	1,53,18,040
	<u>2,73,64,423</u>	<u>1,91,21,988</u>
Less: Provision for Doubtful Debts	5,63,908	-
	<u>2,68,00,515</u>	<u>1,91,21,988</u>
15. CASH AND CASH EQUIVALENT		
a. Cash on Hand	1,22,129	2,62,201
b. Balances with Banks	1,46,75,781	31,84,575
c. Fixed Deposits with Banks*	6,35,06,151	27,01,62,815
	<u>7,83,04,061</u>	<u>27,36,09,591</u>
* Fixed Deposits with Banks includes :		
i) ₹ Nil (P.Y. ₹ 8,50,00,000/-) tied up against overdraft		
ii) ₹ Nil (P.Y. ₹ Nil) with maturity of more than 12 months		
16. SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
a. Advance Tax & TDS	74,73,818	2,94,56,831
b. Prepaid Expenses	6,41,581	4,43,686
c. Claim Receivables	35,92,599	-
d. Others	2,25,52,147	1,52,43,505
	<u>3,42,60,145</u>	<u>4,51,44,022</u>
17. OTHER CURRENT ASSETS		
a. Interest accrued on FDR with Banks	1,34,030	39,16,489
b. Others	22,71,800	28,08,012
	<u>24,05,830</u>	<u>67,24,501</u>

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

	Year Ended 31.03.2012		Year Ended 31.03.2011	
	(₹)	(₹)	(₹)	(₹)
18. REVENUE FROM OPERATIONS				
a. Real Estate - Sale of Land		-		1,82,00,00,000
b. Textile Unit - Cloth Sales		15,31,82,053		7,63,79,936
		<u>15,31,82,053</u>		<u>1,89,63,79,936</u>
19. OTHER INCOME				
a. Interest (Gross)	78,79,635		99,16,450	
b. Licence Fee	12,00,000		12,00,000	
c. Rent	47,48,000		68,52,000	
d. Dividend received	43,698		29,304	
e. Sundry Receipt	62,300	1,39,33,633	-	1,79,97,754
Non Operating Income				
a. Profit on Sale of Fixed Assets	7,23,16,142		95,99,733	
b. Sundry Sales	2,15,35,825	9,38,51,967	48,63,237	1,44,62,970
		<u>10,77,85,600</u>		<u>3,24,60,724</u>
20. COST OF MATERIALS CONSUMED				
Raw Material Consumed		14,46,15,496		10,50,54,842
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
a. Real Estate				
Opening Stock of WIP	1,36,03,00,000		1,23,54,16,332	
Less: Closing Stock of WIP	1,36,55,90,538		1,36,03,00,000	
Changes in WIP		(52,90,538)		(12,48,83,668)
b. Textile Unit				
Opening Stock of Finished Goods	8,12,64,532		4,18,66,009	
Less: Closing Stock of Finished Goods	4,98,81,232		8,12,64,532	
Changes in Finished Goods		3,13,83,300		(3,93,98,523)
Opening Stock of WIP	1,82,54,312		4,23,92,140	
Less: Closing Stock of WIP	3,11,39,712		1,82,54,312	
Changes in WIP		(1,28,85,400)		2,41,37,828
Net Changes in Inventories of Finished Goods & WIP		<u>1,32,07,362</u>		<u>(14,01,44,363)</u>

	Year Ended 31.03.2012		Year Ended 31.03.2011
	(₹)	(₹)	(₹)
22. EMPLOYEE BENEFITS EXPENSE			
a) Salaries, Wages and Bonus etc.	7,22,94,437		5,57,26,504
b) Contribution to Provident and other Funds	72,94,049		60,12,023
c) Workmen and staff welfare expenses	32,46,789		31,62,821
	<u>8,28,35,275</u>		<u>6,49,01,348</u>
23. FINANCE COST			
a) Interest	30,15,367		3,45,69,082
b) Other borrowing costs	15,41,487		9,58,729
	<u>45,56,854</u>		<u>3,55,27,811</u>
24. Other Expenses			
a) Stores & Spares		2,78,25,648	2,19,61,917
b) Power & Fuel			
Electricity	2,38,29,296		2,39,21,638
Coal Consumption	3,44,72,210		2,01,60,721
Diesel & others	27,10,186	6,10,11,692	56,65,234
			<u>4,97,47,593</u>
c) Sundry Manufacturing Expenses		32,88,036	32,34,490
d) Repairs & Maintenance			
Buildings	53,76,968		58,55,256
Machinery	1,81,11,733		1,38,04,787
Others	7,18,406	2,42,07,107	5,44,899
			<u>2,02,04,942</u>
e) Administration & Sundry Expenses			
Rent	24,474		24,474
Rates & Taxes	34,19,128		19,50,628
Insurance	7,41,579		3,83,704
Advertisement	4,42,115		4,64,274
Travelling & Conveyance	39,52,385		17,90,232
Transport Charges	18,62,464		10,32,726
Law Charges	22,34,508		11,78,004
Bank Charges	3,20,373		67,240
Consultancy Charges	1,86,232		12,88,199
Retainership Fee	19,02,380		2,82,657
Directors' Fees	1,31,600		1,73,600
Remuneration to Auditors:			
As Audit Fee	84,270		55,150
For other services	17,648		3,309
Printing & Stationery	7,79,842		6,36,773
Telephone	10,17,971		6,81,335
Licence Fee	6,31,500		3,68,000
Office Expenses	18,01,715		7,49,269
Charges General	6,12,201		3,89,109
Miscellaneous Expenses	15,76,880		10,45,571
Advances written off	14,28,867		-
Provision for Doubtful Debts	5,63,908	2,37,32,040	-
			<u>1,25,64,254</u>

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

	Year Ended 31.03.2012		Year Ended 31.03.2011	
	(₹)	(₹)	(₹)	(₹)
f) Selling & Distribution Expenses				
Commission on Sale	24,55,525		13,39,002	
Selling Expenses	4,81,387		1,32,614	
Freight and Handling Outward	3,11,200	32,48,112	1,33,638	16,05,254
g) Land Development Expenses		52,90,538		1,39,52,62,361
		14,86,03,173		1,50,45,80,811
25. Exceptional Items				
a. Adjustments relating to previous years		(8,10,381)		(4,45,570)
b. Balances Written off		(47,770)		(85,166)
c. Bad Debts Written off		–		(39,72,40,959)
d. Fixed Assets Written off		–		(1,28,009)
e. Liabilities Written Back		–		2,63,03,63,415
		(8,58,151)		2,23,24,63,711

26. Significant Accounting policies and notes on Financial Statements

A. Accounting Policies :

1. Accounting Concepts

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the applicable mandatory Accounting Standards.

2. Fixed Assets

Gross Block of Fixed Assets is at historical Cost.

3. Depreciation

Depreciation on Fixed Assets is provided at the Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

4. Investments

Investments are valued at or below cost.

5. Inventories

Inventories of Textiles are stated at cost or net realizable value, whichever is lower. Cost comprises all costs of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition. First in first out or average cost method is followed for determination of cost. Real estate inventory converted into stock in trade is stated at conversion value based on its fair market valuation and development expenses incurred therefor.

6. Revenue Recognition

Revenue is generally recognised, when no significant uncertainty as to its measurability or collectability exists.

7. Retirement benefits

The Company's contribution to Provident Fund is charged to Profit & Loss Statement. Gratuity and leave encashment liabilities are accounted for on accrual basis based on actual liability.

B. Notes on Financial Statements.

1. Contingent Liabilities and Commitments.

- (i) Claims against the company not acknowledged as debts - Amount unascertainable.
 - (ii) Estimated amount of contracts remaining to be executed on capital account and not provided ₹ 6,09,19,314 (Previous year ₹ 1,09,29,009)
 - (iii) Arrears of dividend on preference shares ₹ 11,50,640 (Previous Year ₹ 10,29,520)
 - (iv) In respect of trade tax for the assessment year 1989-90 for which appeal is pending ₹ 42,469 (Previous Year ₹ 42,469)
2. The total liability in respect of future payment of gratuity and leave encashment to employees as at 31.3.2012 has been determined and accounted for on accrual basis.
 3. The Company has been declared a Sick Industrial Company. Rehabilitation Scheme for the Company sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) is under implementation. The lenders have agreed to waive interest and other levies upto the date of sanction of the Scheme. Interest on one time settlement (OTS) amount is payable thereafter as provided in the Scheme subject to further concessions agreed by the lenders from time to time. Necessary entries in the accounts for write back of interest are made by the Company upon final payment of OTS amount to the respective lenders.
 4. Balances of personal accounts of Debtors, Creditors, Deposits, Loans & Advances and dues of secured lenders are subject to confirmation and reconciliation. Negotiations for settlement with one of the secured lenders in respect of the demands/claims raised by it due to default by the Company in timely payment of OTS dues are in progress. Hence, provision for such demands made by the lender has not been made during the year as existing provision for normal interest payable is considered more than adequate to meet such claims on final settlement.
 5. Disclosure of Sundry Creditors is based on the information available with Company regarding status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
 6. Deferred Tax assets have not been recognised on account of virtual uncertainty as per Accounting Standard 22 on Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.
 7. Impairment losses, as per Accounting Standard 28 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.

8. Earning per share (EPS)	2011-12	2010-11
	₹ in lacs	₹ in lacs
(a) Net Profit/(Loss)	(1633.21)	25038.34
(b) Weighted average number of equity shares used as denominator for calculation of EPS	23577750	23577750
(c) Basic and diluted earning per share of ₹ 10/- each	₹ (6.93)	₹ 106.19

9. Related party disclosures:

- (a) Key management personnel & their Relatives
 - i) Dr. Gaur Hari Singhania - Chairman & Managing Director and CEO
 - ii) Shri Yadupati Singhania - Vice-Chairman

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

(b) Enterprises significantly influenced by Key Management Personnel or their Relatives:-

- i) Jaykay Enterprises Ltd.
- ii) J.K. Cement Ltd.
- iii) Yadu International Ltd.

Following are the transactions with related parties as defined under Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India.

Details of transactions are as follows :	2011-12	2010-11
i) Jaykay Enterprises Ltd.	₹	₹
a) Licence Fee received	12,00,000	12,00,000
b) Licence Fee paid	6,31,500	3,68,000
c) Others	1,92,766	27,575
ii) J.K. Cement Ltd.		
a) Rent received	18,47,083	5,29,440
b) Cloth sales	3,03,175	1,08,824
c) Material purchased	3,70,706	1,53,694
d) Others	39,203	-
iii) Yadu International Ltd		
(a) Loan received		
Balance at the beginning of the year	-	28,80,00,000
Loan received during the year	20,00,00,000	6,20,00,000
Loan repaid during the year	-	35,00,00,000
Balance at the end of the year	20,00,00,000	-
(b) Interest paid	14,75,012	2,25,60,454
(c) Finance charges paid	15,12,700	3,75,000
iv) Key management personnel & their Relatives		
(a) Shri Yadupati Singhania		
(i) Loan received		
Balance at the beginning of the year	-	1,25,00,000
Loan repaid during the year	-	1,25,00,000
Balance at the end of the year	-	-
(ii) Sitting Fees	10,600	25,600
10. Value of Imports calculated on C.I.F. basis		
Raw Material	-	-
Components and Spare parts	30,23,865	1,81,592
Capital Goods	5,03,46,843	-
11. Value of Raw Materials Consumed	2011-12	2010-11
	Amount	Amount
	₹	₹
		Percentage
		of total
		Consumption
i) Imported	-	-
ii) Indigenous	14,46,15,496	100%
12. Value of Stores and Spare consumed		
i) Imported	-	-
ii) Indigenous	2,78,25,648	100%

Note : The above figures do not include consumption for repairs etc. debited to repairs & maintenance.

13. Expenditure in foreign currency	2011-12	2010-11
	₹	₹
i) Travelling expenses	4,51,142	—
ii) Consultancy	38,99,250	—
iii) Others	14,47,559	4,422

14. Segment Reporting :

The Company operates in following two business Segment :-

- a. Textile
- b. Real Estate

Particulars	Textile	Real Estate	Total
	₹	₹	₹
1. Segment Revenue			
External Sales	15,31,82,053	—	15,31,82,053
Inter-Segment Sales	—	—	—
Other Income	9,55,88,867	—	9,55,88,867
Total Revenue	24,87,70,920	—	24,87,70,920
2. Segment Expenses	39,90,21,690	9,11,794	39,99,33,484
3. Exceptional Items (Net)	8,58,151	—	8,58,151
4. Segment Results	(15,11,08,921)	(9,11,794)	(15,20,20,715)
Common Expenses	—	—	2,54,076
Common Income	—	—	1,21,96,733
Extra Ordinary Items	—	—	—
5. Net Profit/(Loss) before Tax	(15,11,08,921)	(9,11,794)	(14,00,78,058)
Provision for Taxation	—	—	—
Tax Adjustment for Earlier Year	—	—	2,32,43,075
Net Profit/(Loss) after Tax	(15,11,08,921)	(9,11,794)	(16,33,21,133)
6. Segment Assets	27,46,48,855	1,36,55,90,538	1,64,02,39,393
Common Assets	—	—	4,32,04,690
Total Assets	27,46,48,855	1,36,55,90,538	1,68,34,44,083
7. Segment Liabilities	1,27,86,34,211	25,79,850	1,28,12,14,061
Common Liabilities	—	—	1,77,018
Total Liabilities	1,27,86,34,211	25,79,850	1,28,13,91,079
8. Capital Expenditure			
Segment Capital Expenditure	71,10,19,884	—	71,10,19,884
Common Expenditure	—	—	54,51,815
9. Depreciation			
Segment Depreciation	49,23,52,109	—	49,23,52,109
Common Depreciation	—	—	27,44,525
10. Other Non-Cash Expenditure	—	—	—

15. The figures of the previous year, where necessary, have been recast and regrouped to make them comparable with the figures of this year.

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 28th May, 2012

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Company Secretary

YADUPATI
K. B. AGARWAL } Directors
J. N. GUPTA }

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

AUDITORS' REPORT

TO THE MEMBERS OF JUGGILAL KAMLAPAT COTTON SPINNING AND WEAVING MILLS COMPANY LIMITED.

1. We have audited the attached Balance Sheet of JUGGILAL KAMLAPAT COTTON SPINNING AND WEAVING MILLS COMPANY LIMITED as at 31st March, 2012, Profit and Loss Statement 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 & 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 purposes 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 Statement and Cash Flow statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Profit and Loss Statement and 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 except for comments in Para (e)below:
- e)
 - i) **The liability for gratuity and leave encashment has been made on the basis of actual liability determined by the management. (Note no.26(A)(7))**
 - ii) **(Note no.26(B)(7))Regarding non provision of impairment losses.**
- f) On the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clauses (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- g) Subject to the foregoing and read with other notes, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2012.
 - (ii) In the case of the Profit and Loss Statement , of the Loss of the Company 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.

Place : Kanpur
Dated : 28.05.2012

For P. L. TANDON & CO.
Chartered Accountants
Firm Reg. No. 000186C
RAJENDRA GUPTA
Partner
Membership No. 073250

ANNEXURE TO THE AUDITORS' REPORT

Re : Juggilal Kamlapat Cotton Spinning & Weaving Mills Company Limited (Referred to in Paragraph (3) of our report of even date)

- (i) In respect of its Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets acquired during the year 1961 and onwards other than Furniture and Fittings, Office Equipments and a part of Plant and Machinery comprising Electric Fittings and Equipments.
 - (b) A part of Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not made substantial disposal of Fixed assets during the year.
- (ii) In respect of its Inventories:
- (a) As explained to us, inventories 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 procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) In respect of Loans Secured or Unsecured, granted or taken by the Company to or from Companies, Firms or other Parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :-
- (a) The Company has not granted any Loan to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the company has not granted any loans secured or unsecured to parties listed in the register maintained under section 301 of the Companies Act, 1956, the paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are therefore, not applicable.
 - (e) The company has taken Unsecured Loan from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2000 Lacs and the year end balance of loan taken from such party was Rs.2000 Lacs.
- (f) The terms and conditions of such Unsecured Loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
- (g) The company is regular in the payment of interest. The repayment of principal amount has not yet commenced .
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956. Accordingly paragraph 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

(ix) According to the information and explanations given to us, in respect of statutory and other dues.

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess 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, sales tax, service tax, customs duty and excise duty were in arrears as at 31st March, 2012 for a period of more than six months from the date they become payable.

(c) According to the records of the Company, income tax, trade tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, are as follows :-

Name of Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is Pending
Trade Tax Act.	Trade Tax	42,469.00	Trade Tax Tribunal

(x) The company's accumulated losses at the end of the financial year are more than its net worth. The company has incurred Cash Losses during the financial year covered by our audit, however the company had not incurred cash losses in the immediately preceding financial year.

(xi) BIFR has sanctioned a Rehabilitation Scheme and one time settlement of dues of Financial Institutions, Banks and Debenture holders. Some of the debts were assigned by a Bank in favour of a Non-Banking Financial Company. The settlement of dues with the assignee is in process.

(xii) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.

(xiii) In our opinion, the Company is not a Chit Fund or a Nidhi/ Mutual benefit Fund/Society. Therefore, the provisions

of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. All the investments are held by the Company in its own name.

(xv) 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.

(xvi) In our opinion the unsecured Term Loan has been applied for the purposes for which it was raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investments.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

(xix) As the company has no debenture outstanding at any time during the year, the provisions of clause 4(xix) of Companies (Auditor's Report) Order, 2003 are, therefore, not applicable to the Company.

(xx) The Company has not raised any money by Public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For P. L. TANDON & CO.
Chartered Accountants
Firm Reg. No. 000186C
RAJENDRA GUPTA
Partner
Membership No. 073250

Place : Kanpur
Dated : 28.05.2012

PROXY

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

Regd. Office : Kamla Tower, Kanpur - 208 001

Folio No.	
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I/We

of

being a Member/Members of JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

hereby appoint Shri

of or failing him Shri

of or failing him Shri

of as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 89th Annual General Meeting of the Company to be held on Monday, the 13th August, 2012 and at any adjournment thereof.

Signed this day of2012.

Signature

Affix Revenue Stamp

Note : This proxy must be deposited at the Registered Office of the Company at Kamla Tower, Kanpur, not less than 48 hours before the time fixed for holding the meeting.

TEAR HERE

BOOK-POST

If undelivered, please return to :
J. K. Cotton Spg. & Wvg. Mills Co., Ltd.
Share Deptt., Kamlia Tower,
Kanpur-208 001

solarknp@gmail.com