

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

Shri R. R. MANSINGH

Shri S. P. ARORA (*Nominee of IFCI*)

Shri GANESH CHAUDHARY (*Nominee of AFL*)

Shri P. K. SARAF

Dr. J. N. GUPTA

Shri LALIT MOHAN AGARWAL

Shri R. K. SAXENA

BANKERS :

PUNJAB NATIONAL BANK

CENTRAL BANK OF INDIA

HDFC BANK LTD.

BANK OF INDIA

YES BANK LTD.

ORIENTAL BANK OF COMMARCE

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AUDITORS :

MESSRS. P. L. TANDON & CO.

Chartered Accountants

REGISTERED OFFICE :

KAMLA TOWER, KANPUR

JUGGILAL KAMPLAT COTTON SPINNING & WEAVING MILLS CO. LTD.

NOTICE

Notice is hereby given that the 86th Annual General Meeting of Juggilal Kamlat Cotton Spinning. & Weaving Mills Co. Ltd. will be held on, Wednesday, the 23rd September, 2009 at 1.00 P.M. at the Registered Office of the Company at Kamla Tower, Kanpur to transact the following business :-

1. To consider and adopt the Directors' Report and the audited Statements of Account of the Company for the year ended 31st March, 2009.
2. To appoint a Director in place of Shri Lalit Mohan Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri R.K. Saxena 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.

Special Business

5. Extension of Preference Shares

To consider and, if thought fit, to pass with or without modification(s), the following resolutions, as Special Resolution :

"RESOLVED THAT the due date of redemption in respect of 5000 - 6% Cumulative Preference Shares of Rs.100/- each, 6000-8½ % Cumulative Preference Shares of Rs.100/- each, 4,720- 8½ % Cumulative Redeemable Preference Shares of Rs.100/- each be and is hereby extended by five years from 30th September, 2009 to 30th September, 2014 on existing rate of dividend subject to necessary approvals as may be required in this regard."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard."

6. Alteration of Articles of Association

To consider and, if thought fit, to pass with or without modification(s), the following resolution, as Special Resolution :

"RESOLVED THAT subject to the provisions of Section 31 of the Companies Act, 1956 and all other relevant provisions, if any, the existing clause (c) of the Article 4 (3) of the Articles of Association of the Company relating to the due date for redemption of Preference Share Capital be and is hereby altered by substituting in its place, the following new clause :

4. (3) (c) The Company shall redeem all the aforesaid 6%, 8 ½ % and 8 ½ % Preference Shares on 30th September, 2014.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard."

Notes

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item Nos. 5 and 6 above is annexed hereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2009 to 23rd September, 2009 both days inclusive.
3. 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.
4. 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.
5. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
6. 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.
7. Copies of the Memorandum and Articles of Association of the Company and all other material documents referred to herein above 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.
8. 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 : 21st August, 2009

By order of the Board

S. K. KEDIA
Secretary

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :

Item No. 5

The Preference Shares under reference are due for redemption on 30.09.2009. Since the Company does not have profit to redeem the said Preference Shares, it is proposed to extend the due date of redemption by five years from 30.09.2009 to 30.09.2014. The Company is in the process of obtaining approval of the Preference Shareholders in this regard. Your Directors commend the resolutions at item No. 5 for approval.

Dr. Gaur Hari Singhania and Shri Govind Hari Singhania who hold 7 Nos and 100 Nos 8½% Cumulative Redeemable Preference Shares of the Company respectively may be deemed to be concerned in the resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

Item No. 6

The amendment to the clause (c) of Article 4(3) of the Articles of Association is proposed to give effect to the proposed extension of due date for redemption of Preference Shares. Your Directors commend the resolutions at item No. 6 for approval.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Registered Office :
Kamla Tower,
Kanpur
Date : 21st August, 2009

By order of the Board

S. K. KEDIA
Secretary

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. Company

The lockout declared in the Company's Textile Mill w.e.f. 15th May, 1989 due to severe labour unrest, was withdrawn by the Company w.e.f. 19th January, 2009. The Rehabilitation Scheme for the Company sanctioned by BIFR is presently under implementation. Until 1989, the Company was operating in the segment of manufacture of blended textile fabrics, mainly Shirting and Suiting fabrics. At that time the Company had undertaken large scale modernization of its Plant & Machinery, which was left midstream in the wake of declaration of lockout. The Buildings, Plant & Machinery and Utilities of the Textile Unit are now in much dilapidated condition. Some of the Machines have become obsolete on account of advancement in technology and change in product preference of the consumers. There are difficulties in procurement of spares and components for old Machines and mobilization of skilled manpower. Your Company's Management has, in the given circumstances undertaken a herculean task for revival of operations in the Company's Textile Unit. It gives pleasure in stating that the operations in the weaving department of the Textile Unit could be started with effect from 2nd April 2009.

II. General Review

In the past year, the global economy witnessed a high degree of downtrend and the recessionary conditions impacted the fortunes of Corporates across the world. The Indian Textile Industry, in particular, was one of the worst sufferers following subdued domestic and overseas demand. The Government has announced several fiscal and monetary measures to soften the impact of recession. These measures are expected to help in stimulating the economy.

III. Opportunities and Challenges

Few Mills are left in the organized sector, which are manufacturing quality fabrics. These Mills can well cater to the uprising demand from higher middle income groups. Besides, the export market has become very competitive

and demanding in terms of quality of products and pricing. The organized sector stands a good chance to tap this market by virtue of its inherent strength. The market for supply of fabrics to readymade garment manufactures and premium outlets has also grown, providing further opportunity to the Mills in the organized sector. However, the labour reforms under consideration of the Govt. are not yet in place and the Company is saddled with old workforce whose working efficiency is adversely affected on account of remaining away from work for several years. Efforts are being made by the Company to rejuvenate this workforce by motivation and training. Right now the Company is seized in restart and consolidation of its operations with optimum use of existing resources. Fresh inputs will be inducted wherever considered essential. After fall in crude oil prices from their unrealistic levels last year, the synthetics fibres and yarn are expected to be available at fair and stable prices, but the prevailing prices of cotton fibre is still a matter of concern.

IV. Operations

There were not any manufacturing operations during the year in the Company's Mill. Steps have been taken for repairs and maintenance of the Buildings, Plant & Machinery and Utilities. The Company is hopeful to produce quality fabrics and regain its lost market in the current year. Efforts are being made to update internal control systems.

V. Cautionary Statement

Statements in this 'Management Discussion 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 old machinery, levels of productivity achieved, changes in government regulations, tax regimes, economic developments besides other factors such as litigation and labour matters.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their 86th Annual Report together with the audited Statements of Account of the Company for the financial year ended 31st March, 2009.

Financial Results :

	31.3.2009
	Rs./Lacs
2.1 Other Income	56.69
Loss before Interest and Depreciation	213.48
Add : Interest	230.33
Loss before Depreciation	443.81
Add : Depreciation (Net)	12.53
Loss for the year	456.34
Add : Adjustments relating to previous years	0.52
Balances Written Off	9.13
Less : Liabilities Written Back	1095.88
Net Profit	629.89
Less : Provision for FBT	0.35
Profit after Tax	629.54
Less : Deficit brought forward from previous year	50445.81
Balance Loss carried to Balance Sheet	49816.27

2.2 Operations remained suspended during major part of the year due to continued lock-out in the Mill. The lock-out was lifted w.e.f. 19th January, 2009 and immediately thereafter, the maintenance work of the Buildings, Plant & Machinery and Utilities was undertaken. The Directors are pleased to inform you that production operations have been commenced from 2nd April, 2009 and are proposed to be augmented in a phased manner depending upon progress of the maintenance work. In view of the losses, the Directors are unable to recommend any dividend.

Deposits :

3. Payments in respect of deposits accepted by the Company have been released to all depositors in accordance with the sanctioned Rehabilitation Scheme. The cases pertaining to unclaimed amounts are processed as and when received.

Debentures :

4. Payments in respect of non convertible debentures issued by the Company have been released to all debentureholders in accordance with the sanctioned Rehabilitation Scheme. The cases pertaining to unclaimed amounts are processed as and when received.

Rehabilitation :

5. As per directions given by BIFR, UP Government has withdrawn ban order in relation to the lockout, by notification dated 24.10.2008. Thereafter attachment on assets of the Company's Mill was lifted by Govt. authorities on 10th January, 2009 paving the way for lifting of lockout in the Mill w.e.f. 19th January, 2009. The Company is mobilizing manual and financial resources required and has undertaken massive maintenance & overhauling work of the Mill Buildings, Plant & Machinery and Utilities for restoration of production operations in a phased manner. The renewal of Licence of the Company's Mill has been obtained from the Director of Factories, Kanpur on 1.4.2009 and the Production operations started from 2.4.2009. During the year, the dues of a financial institution were settled and paid after compromise and the liabilities were written back for waiver of the dues.

Assets Sale Committee :

6. As per terms of the sanctioned Rehabilitation Scheme, an Assets Sale Committee has been constituted and its meetings are held from time to time. ASC has decided to explore the market for sale of Lakshman Bagh property. Clearances for sale of other properties are still awaited.

Management Committee :

7. As per terms of the sanctioned Rehabilitation Scheme, a Management Committee has been constituted to review the operations of the company and monitor implementation of the Rehabilitation Scheme. The meetings of the committee are held from time to time.

Corporate Governance :

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

Insurance :

9. The stocks, buildings and Plant & Machinery have been insured against risks of fire, riot, strike etc.

Directors :

10.1 In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Lalit Mohan Agarwal and Shri R.K.Saxena retire by rotation and are eligible for re-appointment.

10.2 Hon'ble BIFR has vide its letter dated 30.04.2009 withdrawn nomination of Shri D.K.Kapila, Special Director of BIFR from Directorship of the Company w.e.f. 30.04.2009. The Board records with appreciation the valuable services rendered to the Company by Shri D.K.Kapila and his lively participation in efforts for rehabilitation of the Company.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

Information regarding Conservation of Energy etc. :

11. As the Mill remained closed throughout the year, information in respect of conservation of energy, technology absorption required to be reported under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has not been furnished. There is no foreign exchange earning or outgo during the year under review.

Particulars of Employees :

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

Auditors :

- 13.1 Observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts and call for no further comments.
- 13.2 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.

Directors' Responsibility Statement :

14. As mentioned in para 5 above, Rehabilitation Scheme sanctioned by Hon'ble BIFR is under implementation. The Company has therefore, prepared the Accounts for the year 2008-09 on a going concern basis as per the past practice excepting the matters wherever specific disclosures have been made. The changes required to follow some of the accounting standards and write back of specified liabilities & provisions would be given effect to after receipt of necessary approvals and final payment. Subject to this, the Directors state that :-
- In the preparation of the Annual Accounts, the applicable accounting standards have been followed except those mentioned in the notes to the Accounts.
 - 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 2008-09 and of the losses of the Company for the year.

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

Listing Arrangement :

15. At present the Company's shares are listed with Stock Exchanges at Delhi and Kanpur. The Company has paid listing fee for Financial Year 2009-10 to both the Stock Exchanges. Delhi Stock Exchange Association Ltd., New Delhi declared an Amnesty Scheme for listed companies on the eve of proposed resumption of trading in securities in the said Exchange. The Company has opted for the scheme and submitted requisite documents together with payment of arrears of fee in April, 2009.

General :

16. The implementation of the Rehabilitation Scheme was initially delayed on account of delay in receipt of approvals for various reliefs and concessions envisaged in the Scheme, particularly from Govt. Authorities. The Company has been able to enter into compromise with majority of the secured lenders and enter into MOU with Trade Unions. After receipt of some of the clearances from the Govt. authorities, it became possible for the Company to lift lockout from 19th January, 2009 and reopen the Mill. The Directors are hopeful that with the support of all concerned, the Scheme will be implemented within a reasonable time.

Registered Office :
Kamla Tower,
Kanpur
Date : 9th June, 2009

For and on behalf of the Board

GAUR HARI
Chairman & Managing Director

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, 2009 is 12 (Twelve). The composition is given below :-

- One Promoter, Executive, Non-independent Director
- Three Promoters, Non-Executive, Non-independent Directors
- One Non-Executive, Non-independent Director
- Seven 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	-	-
3	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	Shri P. K. Saraf	Non-Executive, Non-Independent	-	-	-	-	-
6	Shri Lalit Mohan Agarwal	Non-Executive, Independent	-	-	-	-	-
7	Shri D. K. Kapila Nominee of BIFR	Non-Executive, Independent	-	-	5	2	1
8	Shri S. P. Arora* Nominee of IFCI	Non-Executive, Independent	-	-	1	-	-
9	Shri R. R. Mansingh	Non-Executive, Independent	-	-	1	-	-
10	Dr. J. N. Gupta	Non-Executive, Independent	-	-	1	-	1
11	Shri R.K. Saxena	Non-Executive, Independent	-	-	-	-	-
12	Shri Ganesh Chaudhary Nominee of AFL	Non-Executive, Independent	-	-	-	-	-
13	Shri R. P. Singh** Nominee of IFCI	Non-Executive, Independent	-	-	4	-	-

* Appointed as Director w.e.f. 27th May, 2008

** Ceased to be Director w.e.f. 27th May, 2008

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

JUGGILAL KAMPLPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

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

During the financial year ended 31st March, 2009, four Board Meetings were held on the following dates :-

- 27th May, 2008
- 31st July, 2008
- 31st October, 2008
- 16th January, 2009

Attendance of each director at the Board Meeting 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 08.08.08
1	Dr. Gaur Hari Singhania	4	YES
2	Shri Yadupati Singhania	4	YES
3	Shri Govind Hari Singhania	4	YES
4	Shri Nidhipati Singhania	3	NO
5	Shri P.K.Saraf	3	YES
6	Shri Lalit Mohan Agarwal	4	NO
7	Shri D.K.Kapila	3	NO
8	Shri S. P. Arora#	2	NO
9	Shri R.R.Mansingh	3	YES
10	Dr. J.N.Gupta	4	NO
11	Shri R.K.Saxena	4	NO
12	Shri Ganesh Chaudhary	3	NO
13	Shri R. P. Singh*	0	NO

Appointed as director w.e.f. 27th May, 2008.

* Ceased to be director w.e.f. 27th May, 2008.

(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	Shri P. K.Saraf	300
5	Shri Lalit Mohan Agarwal	-
6	Shri D. K.Kapila	-
7	Shri S. P. Arora#	-
8	Shri R.R.Mansingh	-
9	Dr. J.N.Gupta	-
10	Shri R.K.Saxena	-
11	Shri Ganesh Chaudhary	-
12	Shri R.P.Singh*	-

Appointed as director w.e.f. 27th May, 2008.

* Ceased to be director w.e.f. 27th May, 2008.

3. Audit Committee

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

The Audit Committee of the Company comprises of following Directors :

Shri R.R. Mansingh (Chairman)	: Independent, Non-Executive Director
Shri R.K.Saxena	: Independent, Non-Executive Director
Shri P.K.Saraf	: Non-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, 2009, four meetings were held on 27th May, 2008, 31st July, 2008, 31st October, 2008 and 16th January, 2009.

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Shri R.R. Mansingh	4
Shri P.K.Saraf	3
Shri R.K. Saxena	4

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 the provision of the Clause 49 of the Listing Agreement with Stock Exchanges.

Details of Remuneration to the Directors for the year ended 31st March, 2009

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1	Dr. Gaur Hari Singhania @	-	-	-	-
2	Shri Yadupati Singhania	-	-	24600	24600
3	Shri Govind Hari Singhania	-	-	20000	20000
4	Shri Nidhipati Singhania	-	-	15000	15000
5	Shri P.K.Saraf	-	-	22000	22000
6	Shri Lalit Mohan Agarwal	-	-	24000	24000
7	Shri D.K.Kapila	-	-	20000	20000
8	Shri S.P. Arora#	-	-	10000	10000
9	Shri R.R.Mansingh	-	-	23000	23000
10	Dr. J.N.Gupta	-	-	20000	20000
11	Shri R.K.Saxena	-	-	24200	24200
12	Shri Ganesh Chaudhary	-	-	15000	15000
13	Shri R.P.Singh*	-	-	-	-

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

Appointed as Director w.e.f. 27th May, 2008

* Ceased to be Director w.e.f. 27th May, 2008

5. Shareholders' Grievance Committee

(a) Composition

The Committee comprises of following Directors :

Shri P.K.Saraf (Chairman)	:	Non-Independent, Non-Executive Director
Shri R. R. Mansingh	:	Independent, Non-Executive Director
Shri Lalit Mohan Agarwal	:	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 received 3 complaints during the Financial Year 2008-09 and all the 3 complaints were redressed and there was no complaint pending as at 31.03.2009.

(c) Meetings/Attendance

During the financial year ended 31st March, 2009, four meetings were held on 27th May, 2008, 31st July, 2008, 31st October, 2008 and 16th January, 2009.

The attendance at the Committee Meetings was as under :-

Name of Director	No. of Meetings attended
Shri P.K.Saraf	3
Shri R.R. Mansingh	4
Shri Lalit Mohan Agarwal	4

6. General Body Meetings

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

Financial Year	Date	Time	Place
2005-06	28th Aug., 2006	12.30 pm	Registered Office, Kamla Tower, Kanpur
2006-07	26th June, 2007	2.30 pm	Registered Office, Kamla Tower, Kanpur
2007-08	8th August, 2008	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
28th Aug., 2006	No Special Resolution was passed
26th June, 2007	1. Alteration of Capital Clause of Articles of Association 2. Conversion of Promoters' Contribution into Equity.
8th August, 2008	Approval of Appointment of Dr. Gaur Hari Singhania as Managing Director

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 Stock Exchange or SEBI 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 Lalit Mohan Agarwal and Shri R. K. Saxena 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 Lalit Mohan Agarwal is M. Sc. (Physics). He has wide experience of production and labour matters in Jute industry.
- Shri R. K. Saxena is M.A. (Economics) & M.A. (Sociology). He has wide experience in banking and finance.

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 :

"I, Dr. Gaur Hari Singhania, Chairman, Managing Director

JUGGILAL KAMPLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

& 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 2008-09.”

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 2008-09 duly signed by the CEO and CFO has been placed before the Board in the meeting held on 9th June, 2009.

11. General Shareholders Information

a) Annual General Meeting

Date /Time : Wednesday the 23rd September, 2009 / 1.00 P.M.

Venue : At the Registered Office of the Company, Kamla Tower, Kanpur

b) Financial Calendar

- (1) First Quarter Results - End of July 2009
- (2) Second Quarter Results - End of October 2009
- (3) Third Quarter Results - End of January 2010
- (4) Results of the year ending - End of June 2010
31st March 2010

c) Date of Book Closure

16th September, 2009 to 23rd September, 2009
(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	The U.P. Stock Exchange Association Ltd.	2008-09	JKCO
2	Delhi Stock Exchange	2008-09*	-

*Paid during Financial year 2009-10

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 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, 2009

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	7765	96.28	750852	3.18
501 to 1000	178	2.21	137364	0.58
1001 to 2000	49	0.61	68326	0.29
2001 to 3000.	19	0.24	46851	0.20
3001 to 4000	10	0.12	35123	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	22427365	95.12
Total	8065	100.00	23577750	100.00

j) Category wise Shareholding-Equity as on 31st March, 2009

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Promoters and Promoter Group	16	0.20	21723347	92.13
Mutual Funds/UTI	1	0.01	3800	0.02
Financial Institutions/Banks	18	0.22	6239	0.03
Insurance Companies	4	0.05	99142	0.42
Flls	-	-	-	-
Bodies Corporate	93	1.15	345150	1.46
Individuals	7927	98.29	1118072	4.74
Others	6	0.07	282000	1.20
Total	8065	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 new machineries are installed

at J.K. Manufactures premises at 84/29, Kalpi Road, Kanpur. The lockout in the Mill was lifted on 19.01.2009 and production operations have started w.e.f. 2.04.2009. The operations will be augmented in a phased manner depending upon progress in maintenance work of the Mill Buildings, Plant & Machinery and utilities.

m) Address for Correspondence

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

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 & WEAVING MILLS CO. LIMITED as at 31st March, 2009, 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.

Place : Kanpur
Date : 9th June, 2009

For P.L. TANDON & CO.,
Chartered Accountants.
(P. P. SINGH)
Partner
Membership No. 72754

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

SUMMARY OF BALANCE SHEET AND PROFIT & LOSS ACCOUNTS FOR THE LAST FIVE YEARS

(in lacs of Rupees)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
1. Funds Employed :					
(a) Paid-up Capital					
(i) Equity	265.77	265.77	265.77	2,357.77	2,357.77
(ii) Preference	15.72	15.72	15.72	15.72	15.72
(b) Reserves and Surplus	(-) 45,637.65	(-) 46,430.71	(-) 47,049.69	(-) 47,567.95	(-) 46,955.41
(c) Borrowings	49,447.02	50,257.66	50,928.66	50,225.80	50,128.87
Total	4,090.86	4,108.44	4,160.46	5,031.34	5,546.95
2. Funds Utilised :					
(a) Gross Block	8,970.17	8,970.17	8,969.92	8,871.35	8,872.40
Less : Depreciation	6,802.19	6,882.26	6,959.13	6,925.48	6,955.01
Net Block	2,167.98	2,087.91	2,010.79	1,945.87	1,917.39
(b) Machinery in Store	3.00	3.00	3.00	3.00	3.00
(c) Machinery in Bonded Warehouse	29.25	29.25	29.25	29.25	-
(d) Investments	10.05	10.05	10.05	10.05	9.89
(e) Working Capital (as below)	1,880.58	1,978.23	2,107.37	3,043.17	3,616.67
Total	4,090.86	4,108.44	4,160.46	5,031.34	5,546.95
3. Working Capital					
Current Assets					
(a) Inventories	672.08	672.08	672.08	672.08	575.63
(b) Receivables	3,996.98	3,999.00	3,999.56	3,973.70	3,973.70
(c) Cash and Bank Balances	11.45	15.97	13.24	15.89	602.93
(d) Advances etc.	155.61	156.51	147.80	166.66	164.17
	4,836.12	4,843.56	4,832.68	4,828.33	5,316.43
Less : Current Liabilities and Provisions	2,955.54	2,865.33	2,725.31	1,785.16	1,699.76
Balance being Working Capital	1,880.58	1,978.23	2,107.37	3,043.17	3,616.67
4. Income					
(a) Interest	0.94	-	0.07	-	0.04
(b) Other Income	49.50	53.52	51.15	44.41	56.66
Total	50.44	53.52	51.22	44.41	56.70
5. Expenditure					
(a) Salaries and Wages	18.78	19.29	18.67	21.39	25.18
(b) Municipal and Other Taxes	14.76	15.56	17.77	16.64	16.62
(c) Interest and Other Expenses	748.35	740.90	741.79	471.52	458.71
Total	781.89	775.75	778.23	509.55	500.51
6. Loss (before depreciation)	731.45	722.23	727.01	465.14	443.81
7. Depreciation	110.08	56.40	55.49	38.58	12.53
8. Loss (after depreciation)	841.53	778.63	782.50	503.72	456.34

A C C O U N T S

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

**BALANCE SHEET
AS AT 31ST MARCH, 2009**

	Schedule	31.3.2009		31.3.2008	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	23,73,49,500		23,73,49,500	
Reserves & Surplus	2	<u>18,63,25,135</u>	42,36,74,635	<u>18,80,24,801</u>	42,53,74,301
Loan Funds					
Secured Loans	3	4,85,19,59,356		5,00,54,67,947	
Unsecured Loans	4	<u>16,09,27,803</u>	5,01,28,87,159	<u>1,71,12,318</u>	5,02,25,80,265
TOTAL		<u>5,43,65,61,794</u>		<u>5,44,79,54,566</u>	
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	88,72,39,627		88,71,34,965	
Less : Depreciation		<u>69,55,01,106</u>		<u>69,25,47,980</u>	
Net Block			19,17,38,521		19,45,86,985
Machinery in Store			3,00,515		3,00,515
Machinery in Bonded Warehouse			—		29,25,060
Investments	6		9,89,306		10,05,306
Current Assets, Loans & Advances					
Inventories	7	5,75,63,096		6,72,07,515	
Sundry Debtors		39,73,69,518		39,73,69,518	
Cash & Bank Balances		6,02,93,651		15,89,496	
Other Current Assets		42,20,969		42,17,357	
Loans & Advances		<u>1,21,96,503</u>		<u>1,24,49,916</u>	
		53,16,43,737		48,28,33,802	
Less : Current Liabilities & Provisions	8	<u>16,99,76,335</u>		<u>17,85,16,789</u>	
Net Current Assets			36,16,67,402		30,43,17,013
Profit & Loss Account					
Balance as per Profit & Loss a/c		4,98,16,27,547		5,04,45,81,184	
Less : Amount Set off from					
General Reserve as per Contra		<u>9,97,61,497</u>	4,88,18,66,050	<u>9,97,61,497</u>	4,94,48,19,687
TOTAL		<u>5,43,65,61,794</u>		<u>5,44,79,54,566</u>	

Significant Accounting Policies, Notes on Accounts and Additional Information (Schedules 13 & 14)

This is the Balance Sheet referred to in our report to the Members of Juggilal Kamlapat Cotton Spinning & Weaving Mills Co. Ltd.

For P. L. TANDON & CO.,
Chartered Accountants
P. P. SINGH
Partner
Kanpur
Dated : 9th June, 2009

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI
P. K. SARAF
LALIT MOHAN } Directors

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	2008-2009		2007-2008	
		Rs.	Rs.	Rs.	Rs.
I. INCOME					
Interest (Gross)			3,612		-
Other Income	9		56,65,872		44,40,984
Stocks at Close					
Finished		1,47,73,104		1,47,73,104	
In Process		2,99,32,709	4,47,05,813	2,99,32,709	4,47,05,813
TOTAL			5,03,75,297		4,91,46,797
II. EXPENDITURE					
Stocks at Commencement					
Finished		1,47,73,104		1,47,73,104	
In Process		2,99,32,709	4,47,05,813	2,99,32,709	4,47,05,813
Employees	10		25,17,608		21,38,778
Electricity			14,01,750		8,62,623
Insurance			3,36,123		4,50,196
Rates & Taxes			16,61,724		16,63,581
Interest			2,30,33,232		3,95,22,198
Finance and Bank Charges			28,05,474		13,15,635
Goods in Bonded warehouse Written off			91,71,019		-
Repairs & Maintenance	11		50,42,055		1,16,722
Administration and Sundries	12		40,81,701		48,85,387
TOTAL			9,47,56,499		9,56,60,933
LOSS BEFORE DEPRECIATION			4,43,81,202		4,65,14,136
Depreciation		29,53,126		59,05,515	
Less : Transfer from Revaluation Reserve		16,99,666	12,53,460	20,47,692	38,57,823
LOSS AFTER DEPRECIATION					
BEFORE EXCEPTIONAL ITEMS			4,56,34,662		5,03,71,959
EXCEPTIONAL ITEMS					
Add : Adjustments relating to previous years			52,100		76,695
- Balances Written off			9,13,271		-
- Fixed Assets Written off			-		5,86,333
Deduct : Liabilities Written Back [Refer Note No.B(19) Schedule 13]			(10,95,88,670)		(12,81,940)
PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS			6,29,88,637		(4,97,53,047)
Less : Provision for Taxation					
Fringe Benefit Tax			35,000		25,500
PROFIT / (LOSS) AFTER TAXATION			6,29,53,637		(4,97,78,547)
Add : Loss brought forward from previous year			5,04,45,81,184		4,99,48,02,637
BALANCE LOSS CARRIED TO BALANCE SHEET			4,98,16,27,547		5,04,45,81,184
Earning Per Share (Basic & Diluted)			(1.94)		(2.75)

Significant Accounting Policies, Notes on Accounts and Additional Information (Schedules 13 & 14)

This is the Profit & Loss Account referred to in our report to the Members of Juggilal Kamlapat Cotton Spinning & Weaving Mills Co. Ltd.

For P. L. TANDON & CO.,
Chartered Accountants
P. P. SINGH
Partner
Kanpur
Dated : 9th June, 2009

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI
P. K. SARAF
LALIT MOHAN } Directors

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year Ended 31.03.2009 (Rs.)	Year Ended 31.03.2008 (Rs.)
A. Cash flow from operating Activities :		
LOSS BEFORE TAX AND EXCEPTIONAL ITEMS	(4,56,34,662)	(5,03,71,959)
ADJUSTMENTS FOR :		
Depreciation	12,53,460	38,57,823
Interest income	(3,612)	-
Interest expenses	<u>2,30,33,232</u>	<u>3,95,22,198</u>
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(2,13,51,582)	(69,91,938)
ADJUSTMENTS FOR :		
Inventories Written off	96,44,419	-
Trade & Other Receivables	2,53,413	6,99,940
Trade Payable & Other liabilities	<u>(85,34,506)</u>	<u>(9,40,24,985)</u>
CASH GENERATED FROM OPERATIONS	(1,99,88,256)	(10,03,16,983)
Taxes Paid	<u>(40,948)</u>	<u>(14,932)</u>
CASH FLOW BEFORE EXCEPTIONAL ITEMS	(2,00,29,204)	(10,03,31,915)
ADJUSTMENT FOR EXCEPTIONAL ITEMS :		
Adjustment relating to previous years	(52,100)	(76,695)
Fixed Assets Written off	-	(5,86,333)
Balances Written off	(9,13,271)	-
Liabilities Written Back	<u>10,95,88,670</u>	<u>12,81,940</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>8,85,94,095</u>	<u>(9,97,13,003)</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(1,04,662)	-
Decrease in Investments	16,000	-
Machinery in Bonded Warehouse Written off	29,25,060	-
Fixed Assets Written off	<u>-</u>	<u>5,86,333</u>
NET CASH FROM INVESTING ACTIVITIES	<u>28,36,398</u>	<u>5,86,333</u>
C. Cash Flow from Financing Activities :		
Increase in Equity Share Capital	-	20,92,00,000
Promoters' Contribution	-	1,21,00,000
Proceeds from Unsecured Loan	15,00,00,000	7,47,616
Repayments of Unsecured Loan	(58,47,616)	-
Repayments of Loan (OTS)	(1,10,50,000)	(12,72,713)
Increase/(Decrease) in Long Term Borrowings	-	(12,00,00,000)
Waiver of Loan	(39,48,486)	(4,24,237)
Waiver of Interest	(10,38,85,476)	(8,57,703)
Interest paid	<u>(5,79,94,760)</u>	<u>(1,01,272)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(3,27,26,338)</u>	<u>9,93,91,691</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	5,87,04,155	2,65,021
OPENING BALANCE OF CASH & CASH EQUIVALENTS	15,89,496	13,24,475
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	6,02,93,651	15,89,496

For P. L. TANDON & CO.,
Chartered Accountants
P. P. SINGH
Partner
Kanpur
Dated : 9th June, 2009

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI
P. K. SARAF
LALIT MOHAN } Directors

SCHEDULES

SCHEDULE 1 - SHARE CAPITAL

	31.3.2009	31.3.2008
	Rs.	Rs.
AUTHORISED :		
24500000 Equity Shares of Rs. 10/- each	24,50,00,000	24,50,00,000
5000 6% Cumulative Preference Shares of Rs. 100/- each	5,00,000	5,00,000
6000 8.5% Cumulative Preference Shares of Rs. 100/- each	6,00,000	6,00,000
4720 8.5% Cumulative Redeemable Preference Shares of Rs. 100/- each	4,72,000	4,72,000
34280 14% Cumulative Redeemable Preference Shares of Rs. 100/- each	34,28,000	34,28,000
TOTAL	<u>25,00,00,000</u>	<u>25,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP :		
23577750 Equity Shares of Rs. 10/- each	23,57,77,500	23,57,77,500
5000 6% Cumulative Preference Shares of Rs. 100/- each	5,00,000	5,00,000
6000 8.5% Cumulative Preference Shares of Rs. 100/- each	6,00,000	6,00,000
4720 8.5% Cumulative Redeemable Preference Shares of Rs. 100/- each	4,72,000	4,72,000
TOTAL	<u>23,73,49,500</u>	<u>23,73,49,500</u>

Notes : Of the above shares :

- (a) 270000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash and 324000 Equity Shares were allotted as fully paid up by way of bonus shares on capitalisation of reserves.
- (b) 7840 Equity Shares were allotted as fully paid up to the shareholders of the erstwhile J.K. Manufacturers Ltd. pursuant to the scheme of amalgamation.
- (c) 4720-8.5% Cumulative Redeemable Preference Shares were allotted as fully paid up to the Shareholders of the erstwhile J.K.Manufacturers Ltd. pursuant to the scheme of amalgamation.
- (d) As per the rehabilitation scheme sanctioned by BIFR, the aforesaid preference shares of Rs. 15,72,000/- will be due for redemption on 30.09.2009.

SCHEDULE 2 - RESERVES AND SURPLUS

	31.3.2009		31.3.2008	
	Rs.	Rs.	Rs.	Rs.
Capital Reserve		70,49,219		70,49,219
Capital Redemption Reserve		31,86,800		31,86,800
Share Premium Account		2,09,98,650		2,09,98,650
Revaluation Reserve :				
As per last Balance Sheet	15,67,90,132		15,88,37,824	
Less : Transferred to Profit & Loss Account being difference between depreciation on revalued amount ascertained by the valuers and the depreciation on the Original cost calculated in accordance with Section 205(2)(b) of the Companies Act, 1956.	<u>16,99,666</u>	15,50,90,466	<u>20,47,692</u>	15,67,90,132
General Reserve				
As per last Balance Sheet	9,97,61,497		9,97,61,497	
Deduct : Debit Balance in the Profit & Loss Account as per Contra	<u>9,97,61,497</u>	-	<u>9,97,61,497</u>	-
TOTAL		<u>18,63,25,135</u>		<u>18,80,24,801</u>

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

SCHEDULE 3 - SECURED LOANS

	31.3.2009	31.3.2008
	Rs.	Rs.
Rupee Term Loans from Financial Institutions/Bank	13,19,86,414	14,86,51,400
Interest accrued and due [Refer Note no. B(4) Schedule 13]	78,96,06,184	88,47,84,659
Foreign Currency Loans from Financial Institutions/Bank	24,25,49,644	24,25,49,644
Interest accrued and due [Refer Note no. B(4) Schedule 13]	2,32,36,30,098	2,32,36,30,098
From Bank/NBFC		
Cash Credit Account [Refer Note no. B(4) Schedule 13]	1,04,48,09,513	1,04,48,09,513
Term Loan	3,56,46,130	3,56,46,130
Bills Discounted	6,98,78,000	6,98,78,000
Other Loans & Advances [Refer Note no. B(5) Schedule 13]	82,62,916	82,62,916
Interest payable on OTS Amount	26,49,16,648	30,82,48,278
TOTAL	4,91,12,85,547	5,06,64,60,638
<i>Less : Amount paid under OTS</i>		
1. Financial Institutions /Bank	3,73,09,800	3,89,76,300
2. Bank/NBFC	2,20,16,391	2,20,16,391
	5,93,26,191	6,09,92,691
TOTAL	4,85,19,59,356	5,00,54,67,947

SCHEDULE 4 - UNSECURED LOANS

Yadu International Ltd.	15,00,17,803	-
Loan from other Body Corporate	25,00,000	87,02,318
Interest free Loan from Directors	84,10,000	84,10,000
TOTAL	16,09,27,803	1,71,12,318

SCHEDULE 5 - FIXED ASSETS

	AT COST OR BOOK VALUE					DEPRECIATION			NET BLOCK	
	As at 31.03.2008	Addi- tions/ Adjust- ments	Written Off	As at 31.3.2009	Up to 31.3.2008	Provided during the year	Deduc- tions	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Including Lease-hold Rs. 5,64,357/-)	16,36,62,246	-	-	16,36,62,246	-	-	-	-	16,36,62,246	16,36,62,246
Buildings	8,10,91,023	-	-	8,10,91,023	6,54,73,850	24,41,218	-	6,79,15,068	1,31,75,955	1,56,17,173
Railway Siding	30,652	-	-	30,652	29,784	238	-	30,022	630	868
Plant & Machinery	63,92,96,927	-	-	63,92,96,927	62,40,31,916	5,11,414	-	62,45,43,330	1,47,53,597	1,52,65,011
Furniture & Fittings and Office Equipments	29,13,528	58,790	-	29,72,318	28,80,368	13	-	28,80,381	91,937	33,160
Vehicles	1,40,589	45,872	-	1,86,461	1,32,062	243	-	1,32,305	54,156	8,527
Total*	88,71,34,965	1,04,662	-	88,72,39,627	69,25,47,980	29,53,126	-	69,55,01,106	19,17,38,521	19,45,86,985
Previous year	89,69,91,551	-	98,56,586	88,71,34,965	69,59,12,718	59,05,515	92,70,253	69,25,47,980		

Notes :

- No amount has been written off from the value of leasehold land.
- *Includes Rs. 27,71,68,435/- added on revaluation of assets (Land Rs.15,51,27,682/-, Buildings Rs.4,10,26,498/- and Plant & Machinery Rs. 8,10,14,255/-)
- Due to lockout from May, 1989 to January, 2009, the assets were not under regular maintenance. Its impact was in the process of examination at the end of the year.

SCHEDULES

SCHEDULE 6 - INVESTMENTS

	Class of Shares	Nominal Value of each Share Rs.	31.03.2009		31.03.2008	
			No. of Shares	Book Value** Rs.	No. of Shares	Book Value** Rs.
Other Investments - Long Term						
Names of Bodies Corporate :						
Shares in joint stock Companies (Fully Paid up) :						
J.K.Investors (Bombay) Ltd.	Ordinary	100/-	25	2,500	25	2,500
The Free India General Ins. Co. Ltd.	"	10/-	8600	8,600	8600	8,600
* The Plastic Products Ltd. (Under liquidation)	"	10/-	15000	1	15000	1
The Muir Mills Co.Ltd.	"	100/-	750	1	750	1
-do-	Preference	100/-	3625	1	3625	1
Bengal & Assam Company Ltd.	Ordinary	10/-	10351	9,00,249	10350	9,00,000
Coats Viyella PLC	"	20P	17	63	17	63
J.K.Satoh Agricultural Machines Ltd.	"	10/-	6575	65,750	6575	65,750
J.K.Lakshmi Cement Ltd. (Formely J.K.Corp.Ltd.)	"	10/-	51	2,541	51	2,541
Ashim Investment Co. Ltd.	"	10/-	-	-	5	249
Accurate Finman Services Ltd.	"	10/-	2070	-	-	-
J.K.Synthetics Ltd.	"	10/-	480	9,600	480	9,600
J.K.Cement Ltd.	"	10/-	48	-	48	-
J.K.Jute Mills Co.Ltd.	"	10/-	-	-	640	16,000
	Total			<u>9,89,306</u>		<u>10,05,306</u>

Notes : (i)	Aggregate Book Value of Quoted Investments.			77,891		94,140
	Aggregate Book Value of Unquoted Investments.			9,11,415		9,11,166
				<u>9,89,306</u>		<u>10,05,306</u>

- (ii) Aggregate Market Value of Quoted Investments. 18,187 31,184
- (ii) Investments in the Company marked with asterisk exceed ten percent of its subscribed capital. These Investments were acquired before the commencement of the Companies (Amendment) Act,1960
- (iii) **Investments have been valued at or below cost.
- (iv) Pursuant to the scheme of Amalgamation of Ashim Investment Co. Ltd.(AICL) into Bengal & Assam Co. Ltd. (BACL), one equity share of BACL had been allotted to the Company for five equity shares held by the Company in AICL.
- (v) As per scheme of arrangement and demerger between Bengal & Assam Co. Ltd. (BACL) and Accurate Finman Services Ltd. (AFSL), sanctioned by Hon'ble High Court, Delhi, the new fully paid-up shares of AFSL had been allotted free of cost to the Company for every 5 equity shares held by the Company in BACL at the time of demerger.
- (vi) Equity Shres of J.K.Jute Mills Co. Ltd. have been sold during the Financial Year 2008-09.

SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES

	31.3.2009		31.3.2008	
	Rs.	Rs.	Rs.	Rs.
(a) Inventories: [Refer Note No.B (13) Schedule 13]				
Stores & Spare Parts at cost	1,10,31,543		1,10,31,543	
Stock-in-trade				
Raw Materials at cost	18,25,740		18,25,740	
Finished goods at market rates	1,47,73,104		1,47,73,104	
Goods-in-process at approximate Cost	2,99,32,709		2,99,32,709	
Goods in Bonded Warehouse at cost				
Raw Materials	-		72,61,871	
Stores & Spare parts	-	5,75,63,096	23,82,548	6,72,07,515
(b) Sundry Debtors (Unsecured)				
[(Refer Note No.B (13) Schedule 13)]				
Debts outstanding for a period exceeding six months				
i) Considered Good	-		-	
ii) Considered doubtful	39,73,69,518	39,73,69,518	39,73,69,518	39,73,69,518

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

(c) Cash & Bank Balances :

Cash in hand	14,413		61,132	
Cash with scheduled Banks :				
In current Accounts	50,85,687		13,34,813	
In Deposit Accounts(Incls. Employees' Security Deposits)	<u>5,51,93,551</u>	6,02,93,651	<u>1,93,551</u>	15,89,496

(d) Other Current Assets :

Income accrued on deposits		42,20,969		42,17,357
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(e) Loans and Advances (Unsecured and considered good unless otherwise specified)

Advances recoverable in cash or in kind or for value to be received	70,44,766		74,47,148	
Fixed Deposit with Body Corporate	25,00,000		25,00,000	
Provisional Payments of Tax and Tax deducted at source	8,19,779		5,54,039	
Prepaid Expenses	7,56,342		8,63,071	
Deposits [including balance with the Central Excise and Customs Department -Rs. 70000/- (2007-2008 - Rs.584792/-)]	10,28,890		10,38,932	
Sundry Claims Outstanding	<u>46,726</u>	1,21,96,503	<u>46726</u>	1,24,49,916
TOTAL		<u>53,16,43,737</u>		<u>48,28,33,802</u>

Particulars of Loans and Advances :

Loans and Advances :		31.03.2009		31.03.2008
Considered good		Rs. 1,19,18,607		Rs. 1,21,72,020
Considered doubtful		2,77,896		2,77,896
		<u>1,21,96,503</u>		<u>1,24,49,916</u>

SCHEDULE 8 - CURRENT LIABILITIES & PROVISIONS

		31.03.2009		31.03.2008
		Rs.		Rs.
(a) Current Liabilities				
Sundry Creditors	16,51,25,810		17,38,13,048	
Unclaimed Debentures OTS Amount	6,56,360		9,40,641	
Unclaimed Public Deposits OTS Amount	<u>41,89,545</u>	16,99,71,715	<u>37,52,532</u>	17,85,06,221
(b) Provisions				
Fringe Benefit Tax (Net of Advance)		4,620		10,568
TOTAL		<u>16,99,76,335</u>		<u>17,85,16,789</u>

SCHEDULE 9 - OTHER INCOME

		2008-2009		2007-2008
		Rs.		Rs.
Licence Fee		12,00,000		12,00,000
Rent		43,81,800		31,69,640
Dividend received		52,072		270
Sundry Receipts		32,000		71,074
TOTAL		<u>56,65,872</u>		<u>44,40,984</u>

SCHEDULES**SCHEDULE 10 - EMPLOYEES**

	2008-2009	2007- 2008
	Rs.	Rs.
Salaries, Wages and Bonus etc.	21,94,397	19,22,559
Contribution to Provident and other Funds	2,10,910	1,63,550
Workmen and staff welfare expenses	1,12,301	52,669
TOTAL	<u>25,17,608</u>	<u>21,38,778</u>

SCHEDULE 11 - REPAIRS & MAINTENANCE

Buildings, Repairs & Maintenance	12,67,185	—
Machinery Repairs & Maintenance	34,51,718	—
Others	3,23,152	1,16,722
TOTAL	<u>50,42,055</u>	<u>1,16,722</u>

SCHEDULE 12 - ADMINISTRATION & SUNDRIES

Rent	24,474	24,474
Travelling & Conveyance	3,17,980	2,69,025
Law Charges	16,42,180	22,90,463
Consultancy Charges	5,42,240	5,61,800
Miscellaneous Expenses	10,09,443	13,24,940
Directors' Fees	2,17,800	1,96,100
Remuneration to Auditors :		
As Audit Fee	27,575	28,090
For other services	3,442	4,495
Retainership Fee	2,84,087	1,86,000
Loss on Sale of Investments	12,480	—
TOTAL	<u>40,81,701</u>	<u>48,85,387</u>

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

SCHEDULE 13 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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 Cost adjusted for revaluation.

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 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.

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 Account. Gratuity and leave encashment are charged to Profit & Loss Account on the basis of actual payment.

B. Notes on Accounts

1. Contingent Liabilities :

- (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 for - NIL (31.3.2008- Rs. 33,71,000/- approximately).
 - (iii) Arrears of dividend on preference shares – Rs.7,87,280/- (31.3.2008 - Rs.6,66,160/-)
2. The total liability in respect of future payment of gratuity and leave encashment to employees as at 31.3.2009 on the basis of actuarial valuation could not be determined. Hence, provision for incremental liability for the period 1.4.1989 to 31.3.2009 could not be made. However payments for gratuity and leave encashment are accounted for on cash basis.
 3. Land, Buildings and Plant & Machinery of the Cotton Textile Unit located at 84/50, Kalpi Road, Kanpur were revalued as on 1st January,1985. As a result of revaluation, the book value of the said assets had increased by Rs.15,66,23,093/- which amount was transferred to Revaluation Reserve in 1985. Provision for depreciation for the year has been calculated on the respective revalued figures of Buildings and Plant & Machinery at the rates calculated as per Straight Line Method over residual life of such assets as assessed by the valuers. An amount of Rs.16,99,666/- has been transferred during the year from Revaluation Reserve to Profit & Loss Account representing difference between the amount of depreciation on revalued amount and the amount of depreciation on the original cost of such assets calculated in accordance with Section 205(2)(b) of the Companies Act,1956. The land of the Cotton Textile Unit located at 84/50, Kalpi Road, Kanpur was again revalued during 1993-94. As a result of revaluation, the book value of the land further increased by Rs.12,05,45,342/- which amount was transferred to Revaluation Reserve Account in 1993-94.
 4. Loans from Financial Institution/Banks/NBFC shown in Schedule 3 are secured by (i) Hypothecation of all the moveable properties including moveable Plant & Machinery (save and except book debts), both present & future of

SCHEDULES

the Cotton Textile Unit and (ii) joint equitable mortgage by deposit of title deeds of land and buildings of the Cotton Textile Unit. The charges created /to be created in favour of Financial Institution/Banks/NBFC, rank pari passu inter-se, subject to prior charges created or to be created in favour of the Company's Bankers on stocks to secure the borrowings for working capital.

5. Secured Loan of Rs.82,62,916/- from a body corporate is secured by equitable mortgage of the Land, Buildings and Plant & Machinery as existing in the year 1979 of erstwhile J.K.Manufacturers Ltd., which has been amalgamated with the Company with effect from 1st January,1986 in terms of the order dated 19th May,1988 of Allahabad High Court.
6. Unsecured loan of Rs. 15 crores from a body corporate is to be secured by equitable mortgage of land and buildings of erstwhile J. K. Manufacures Ltd. ranking subservient to the existing charges on the said land and buildings.
7. Cash Credit and Term Loan from NBFC are secured by hypothecation of stocks in trade, stores and book debts.
8. Bills discounted with Bank are secured by relevant Bills of Exchange and additional security of hypothecation of book debts in favour of a NBFC in respect of Bills of Rs.680.80 lacs.
9. The Company has to make payment in foreign currency of S.Fr.187,784.60 and Jy.1,920,000 in respect of services rendered by foreign technicians for installation of imported looms in the preceding years. The Company had provided for such liability in the preceding years in accordance with the exchange rate prevailing at the time of adjustment of such liability in the preceding years by adding the amount to the cost of machinery. Adjustment in respect of additional liability on account of exchange rate difference will be made in the year of actual payment.
10. The Company had declared lockout in its Mill with effect from 15th May,1989 due to severe labour unrest . The said lockout has been withdrawn on 19th January, 2009.
11. The Company has been declared a Sick Industrial Company. A Rehabilitation Scheme for the Company was sanctioned by the Board for Industrial and Financial Reconstruction (BIFR), New Delhi on 12th November, 2002 under the provisions of Sick Industrial Companies (Special Provisions) Act,1985. The Scheme provides for various reliefs and concessions including waiver of interest up to the Cut off date, i.e., 30th September, 2002 and other charges, like rates & taxes, warehousing charges, other interest etc. in respect of various secured and unsecured loans including public deposits and sundry creditors. After sanction of the Scheme, the Company has, therefore, provided interest on OTS amount at OTS rate of interest as per the Sanctioned Scheme excepting wherever OTS interest is not payable. Necessary entries in the accounts for write back of interest, other charges and for giving effect to other provisions of the sanctioned Scheme are passed by the Company as and when final payment of the relevant liabilities is made. Appropriate effect in respect of Preference Shares issued by the company, secured debentures, unsecured loans and final settlement with a financial institution and few banks has, however, been given in the Accounts. The Accounts for the year have been prepared on the basis that the Company is a going concern.
12. Physical verification of Stocks of stores, raw materials, stock in trade and goods in process could not be made on account of limited accessibility to the said stocks due to safety and security considerations pending huge maintenance work in various departments housing the said stocks, upon lifting of lockout after twenty years. Consequently the said stocks have been valued on the same basis and value as in the preceding year. Any provision for possible losses which may arise on account of deterioration in the condition of stocks will be made after the same is ascertained on verification. However, the value of the goods including machinery lying in Customs bonded warehouse has been written off during the year on account of the said goods being surrendered to the Customs authorities as the duty, interest and other charges payable for clearance would have exceeded the value of the said goods.
13. Sundry Debtors include Rs. 39,72,40,959/- due from dealers of the Company. Insolvency suits have been filed against the dealers for recovery of the outstanding amount. The Company also filed winding-up petition against the guarantor Company which was decided by the High Court and Official Liquidator appointed. However, further proceedings have been stayed by the High Court and the matter is Sub-judice. Insolvency petition has also been filed against a Director of the said guarantor Company who together stood as guarantor in respect of the Company's dues against the said dealers. No provision has been made for the losses which may arise on this account.
14. Loans and Advances include :-
 - (a) Rs. 25,00,000/-due from a body corporate excluding interest amounting to Rs.42,17,357/-upto 31.3.1996 included under the head "Other Current Assets"

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

- (b) Rs. 28,86,364/- due from the suppliers.
- (c) Advances to workers and staff as under :-
 - (i) Rs. 5,85,551/- paid to workers in 1989-90 at Rs. 1,000/- per worker as advance against legal dues.
 - (ii) Rs. 2,95,085/- paid to workers and staff.
 - (iii) Rs. 5,21,955/- in respect of electricity charges and rent recoverable.

Advances specified in (b) and (c) above are regarded as recoverable on the basis of going concern concept. No provision has been made for losses which may arise in these accounts as the same are not ascertainable.

15. Income-tax assessments have been completed upto the assessment year 2006-2007 and no demand is outstanding for payment. Appeals/References filed by the Department and the Company in respect of several assessment years are still pending. No provision has been made for tax liability, if any that may accrue on disposal of such appeals and/or references as the amount is not ascertainable. Tax deducted at source aggregating to Rs. 8,19,779/- has been shown in the Balance Sheet under the head "Loans and Advances."
16. No provision has been made for disputed trade tax demands of Rs. 42,469/- for the assessment year 1989-90 for which appeal is pending.
17. Depreciation has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 for single shift working as manufacturing activity remained suspended during the year.
18. Interest expenses includes Rs. 81,55,458/- on fixed loans OTS amount (2007-08 - Rs. 3,26,61,189/-) and Rs. 1,05,183/- on other OTS amount (2007-08 - Rs. 65,25,700/-).
19. Liabilities written back includes Rs. 10,78,33,962/- on account of final settlement arrived at with a financial institution during the year.
20. During the year, the dues of IFCI Ltd. were assigned to Ayodhya Finlease Ltd., New Delhi (an NBFC).
21. Balances of personal accounts of Debtors, Creditors, Deposits, Loans & Advances and dues of secured lenders are subject to confirmation and reconciliation.
22. In response to the Notification No. GSR 129(E) dated 22.2.99, issued by the Department of Company Affairs (DCA) requiring disclosure of the amounts due to Small Scale Industrial Undertakings, in the absence of information whether the creditor is a Small Scale Industrial Undertaking and on account of closure of the Company's manufacturing Unit from May, 1989 to January, 2009, the required information cannot be given.
23. The Company has not received the required information from suppliers regarding their status under the Micro Small and Medium Enterprises Development Act 2006. In the absence of information and on account of closure of the Company's manufacturing unit from May, 1989 to January, 2009, disclosures, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.
24. The Company had received from the Authorised Officer, Employees' State Insurance Corporation, Kanpur, a recovery letter dated 11.8.95/28.8.95 under Section 45-C to 45-I of the ESI Act, 1948 for alleged non-payment of contributions amounting to Rs. 2,37,235/- for the period from May, 1978 to October, 1988 in respect of its employees plus interest of Rs. 4,27,316/- upto 31.7.95 and further interest of Rs. 97.49 for each day of delay/default. The recovery has been disputed by the Company and the Hon'ble High Court, Allahabad has stayed recovery of the interest. The contribution amount of Rs. 2,37,235/- was been deposited by the company during the year 2004-05. As per the rehabilitation scheme sanctioned by BIFR, interest and penal levies relating to ESI dues are proposed to be foregone.
25. The company does not have deferred tax liability as envisaged in Accounting Standard 22 issued by the ICAI. Deferred Tax assets (net) have not been recognised in view of present uncertainty of their realization and pending accounting entries for giving effect to the provisions of the Rehabilitation Scheme.
26. Impairment losses, if any, as per Accounting Standard AS 28 issued by the Institute of Chartered Accountants of India could not be computed as the Lock-out in the Mill had been lifted only recently and ascertainment of such losses would take considerable time.

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27. Earning per share (EPS) before exceptional items	2008-2009 Rs./Lacs	2007-2008 Rs./Lacs
(a) Net profit before exceptional items as per Profit & Loss A/c	(456.35)	(503.72)
<i>Add :</i>		
(i) Fringe Benefit Tax	0.35	0.26
(ii) Preference Dividend & Dividend Tax	1.42	1.42
Net profit available for equity shareholders (numerator used for calculations)	(458.12)	(505.40)
(b) Weighted average number of equity shares used as denominator for calculation of EPS	23577750	18347750
(c) Basic and diluted earning per share of Rs. 10/- each	Rs. (1.94)	Rs. (2.75)

28. Related party disclosure

List of related parties with whom transactions have taken place during the year :

- A. Associate Company
 - i) J. K. Synthetics Ltd.
- B. Entities over which Key management personnel have significant influence :
 - i) J. K. Cement Ltd.
 - ii) Yadu International Ltd.
- C. Key management personnel
 - i) Dr. Gaur Hari Singhania Chairman & Managing Director and CEO
 - ii) Shri Yadupati Singhania Vice-Chairman

Details of transactions are as follows :

	2008-2009 Rs./Lacs	2007-2008 Rs./Lacs
1. Remuneration – Key Management Personnel	NIL	NIL
2. Unsecured Loan received from Key Management Personnel	NIL	121.00
3. Unsecured Loan received from Yadu International Ltd.	1500.00	NIL
4. Rent received from :-		
i) J. K. Synthetics Ltd.	12.00	12.00
ii) J. K. Cement Ltd.	4.94	3.60
5. Amount paid to		
a) J. K. Synthetic Ltd.		
i) Rent	1.82	1.69
ii) Others	0.28	0.32
b) J. K. Cement Ltd.		
Material Purchased	0.27	–
6. Finance Charges and Interest paid to Yadu International Ltd.	15.99	NIL

The Company has also paid fee of Rs. 24,600/- (2007-08 Rs.31,500/-) to the key management personnel for attending Board Meetings and Committee Meetings of Directors during the year.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

Outstanding balances as at 31st March, 2009

	2008-2009 Rs./Lacs	2007-2008 Rs./Lacs
-Due to :-		
i) J.K. Synthetics Ltd.	419.46	419.75
ii) Yadu International Ltd.	1500.18	NIL
iii) Key Management Personnel	84.10	84.10
29. The company has only one line of product, viz. synthetic blended fabrics and is managed organisationally as a single unit. Therefore, no separate segment is identifiable as required by Accounting Standard 17 issued by the ICAI.		
30. The figures of the previous year, where necessary, have been recast and regrouped to make them comparable with the figures of this year.		
31. Schedules 1 to 14 form integral part of the Accounts.		

SCHEDULE 14 - ADDITIONAL INFORMATION

A. INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3,4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

1. Capacities and production as at 31.3.2009

Class of goods	Unit	*Licenced Capacity	*Installed capacity	Actual production (Packed)
Textiles	Nos. Ring Spindles	74,440 (74,440)	48,096 (48,096)	
	Nos. Looms	Not specified (Not specified)	987 (987)	
Cloth	Metres	-		- (-)
Fents, Rags, and Chindies	Kgs.			- (-)
Yarn	Kgs.			- (-)

* Licenced and Installed capacities are certified by the management

2. Opening and Closing stocks of Goods produced (Packed) during the year 2008-2009

		Opening Stock		Closing Stock	
		Quantity	Amount Rs.	Quantity	Amount Rs.
Cloth	Metres	7,11,955	1,47,73,104	7,11,955	1,47,73,104
		(7,11,955)		(7,11,955)	
Fents, Rags and Chindies	Kgs.	6,673	(1,47,73,104)	6,673	(1,47,73,104)
		(6,673)		(6,673)	
Yarn	Kgs.	-	-	-	-
		(-)	(-)	(-)	(-)

Note : Previous year figures are given in the brackets.

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B. INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 Balance Sheet Abstract and Company's General Business Profile.

(Amount in Rs. Thousands)

I. Registration details

Registration No.	L17111UP1924 PLC 000275	State Code	20
Balance Sheet date	31.3.2009		

II. Capital raised during the year

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and Deployment of funds

Total Liabilities	54,36,562	Total Assets	54,36,562
Sources of Funds :			
Paid-up Capital	2,37,350	Reserves & Surplus	1,86,325
Secured Loans	48,51,959	Unsecured Loans	1,60,928
Application of Funds :			
Net Fixed Assets	1,92,039	Investments	989
Net Current Assets	3,61,668	Misc. Expenditure	Nil
Accumulated Losses	48,81,866		

IV. Performance of Company

Turnover (Interest, Other Income and exceptional items)	1,15,258	Total Expenditure	52,269
Profit before tax	62,989	Profit after tax	62,954
Earning per share (Before Exceptional items)	(1.94)	Dividend Rate (%)	Nil

V. Generic Name of principal products/Services of Company (As per Monetary Terms)

Item Code No. (ITC Code)	551200, 551400	Product description	Synthetic Blended Fabrics
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For P. L. TANDON & CO.,
Chartered Accountants
P. P. SINGH
Partner
Kanpur
Dated : 9th June, 2009

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI P. K. SARAF LALIT MOHAN	}	Directors
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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, 2009, Profit and 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 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 & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account 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 f (ii), f (iv), f (vi) and f (xi) below;
 - e) On the basis of written representation received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clauses (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f)
 - i) **Attention is invited to Note No. (22) regarding non - disclosure of the amounts payable to Small Scale Industries.**
 - ii) **Note No. (2) regarding non-determination of total liability for leave encashment and for retirement gratuity as at 31.03.2009 and inadequate provision for such liabilities.**
 - iii) **Note No. (12) regarding physical verification of stock, determination of extent of deterioration in quality and valuation of stock-in-trade and stores and spare parts.**
 - iv) **Note No. (26) regarding non provision of impairment losses.**
 - v) **Note No. (14) regarding non-provision for losses which may arise due to non-recovery of various amounts specified in the note which are shown in the Balance Sheet as "good" but in respect of which no recoveries have been effected and for which we are unable to express any opinion.**
 - vi) **Note No. (16) regarding non-provision for disputed Trade Tax liability.**
 - vii) **No provision has been made for diminution in value of investment.**
 - viii) **Attention is drawn to Note No. (11) regarding provision of interest at OTS rate on OTS amount.**
 - ix) **Note No. (13) regarding non-provision for doubtful debts in respect of dealers owing Rs. 39,72,40,959/- from whom no recoveries could be made.**
 - x) **We further report that, without considering items mentioned at f(ii) to f(viii) above, the effect of which could not be determined and had the observations made by us in para f (ix) above been considered, the loss for the year would have been for Rs.3342.87 Lacs (as against reported figure of profit of Rs. 629.54 Lacs). Debit balance in Profit & Loss Account would have been for Rs. 52791.07 Lacs (as against the reported figure of Rs. 48818.66**

Lacs) and Sundry Debtors would have been for Rs. 1.29 Lacs (as against the reported figure of Rs. 3973.70 Lacs).

- 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, 2009.
- (ii) In the case of the Profit and Loss Account, of the Profit 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.

For P. L. TANDON & CO.
Chartered Accountants

P. P. SINGH
Partner

Place : Kanpur
Dated : 09.06.2009

Membership No. 72754

ANNEXURE TO THE AUDITORS' REPORT

Re : Juggilal Kamlat 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) Fixed Assets have not been physically verified during the year by the Management due to lock-out in the Mill until 19th January, 2009.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any disposal of Fixed assets during the year.
- (ii) In respect of its Inventories :
- (a) The inventories have not been physically verified by the management during the year.
- (b)&(c) We are unable to give our comments on Para 4 (ii) (b) & (c) of Companies (Auditor's Report)

Order, 2003 as no physical verification was carried out due to limited accessibility of stocks upon lifting of lock-out after twenty years (Note No.12 of Schedule 13B).

- (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 had / has taken Unsecured Loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1584.28 Lacs and the year end balance of loans taken from such parties was Rs. 1584.28 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) There is no stipulation for the repayment of aforesaid loans.
- (iv) There are no transactions of purchase of inventories and sale of goods. Hence comment on Paragraph 4(iv) of Companies (Auditor's Report) Order, 2003 can not be made.
- (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.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

- (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) Internal audit has not been carried out during the year.
- (viii) No manufacturing activity was carried out during the year and, therefore, cost records required under section 209 (1) (d) of the Companies Act, 1956 were not maintained.
- (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, 2009 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
Miscellaneous	Other	4,97,878.00	Kanpur Nagar Nigam & Jal Sansthan Kanpur

- (x) The Company's accumulated Losses at the end of the financial year are more than its net worth and has not incurred Cash Losses during the financial year covered by our audit but has 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. The default in payment of dues as on 31.03.2009 as per OTS Scheme is as under :-
Banks Rs. 14,68,937/-
Financial Institutions Rs. 9,93,21,182/-
- (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 and Financial Institutions.
- (xvi) In our opinion, the Term Loan has been applied for the purpose 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 the 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 provision of clause 4(xix) of Companies (Auditors 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
P. P. SINGH
Partner
Membership No. 72754

Place : Kanpur
Dated : 09.06.2009

PROXY

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

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 absense to attend and vote

for me/us and on my/our behalf at the 86th Annual General Meeting of the Company to be held on Wednesday, the 23rd September, 2009 and at any adjournment thereof.

AS WITNESS my/our hand/hands this day of2009.

Signed by the said

Re 1/-
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