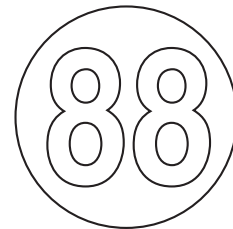
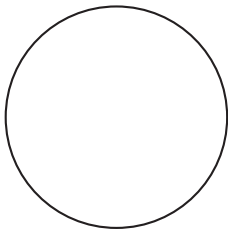


JUGGILAL KAMLAPAT
COTTON SPINNING & WEAVING
MILLS CO. LTD

ANNUAL REPORT
2010-2011



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 P. K. SARAF

Dr. J. N. GUPTA

Shri LALIT MOHAN AGARWAL

Shri R. K. SAXENA

CFO & SECRETARY :

Shri S. K. KEDIA

BANKERS :

PUNJAB NATIONAL BANK

BANK OF INDIA

YES BANK LTD.

ORIENTAL BANK OF COMMERCE

ALLAHABAD BANK

ICICI 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 88th Annual General Meeting of Juggilal Kamlapat Cotton Spinning & Weaving Mills Co. Ltd. will be held on, Thursday, the 25th August, 2011 at 1.00 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, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Nidhipati Singhania who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri P. K. Saraf who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. J. N. Gupta who retires by rotation and being eligible offers himself for re-appointment.
5. 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 16th August, 2011 to 25th August, 2011 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 : 25th July, 2011

By order of the Board
S. K. KEDIA
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, teething problems on account of reopening of the unit after almost 20 years still exist 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 improvement in quality and upgradation of products. New machines have been ordered for modernization of the plant and some of the machines were received during the year. The real estate segment performed well during the year as one property was sold on lock, stock and barrel basis after obtaining approval of lay out plans from competent authorities, to meet pressing needs of funds though left to the Company's choice, it would have developed the property at its own and earned larger profits. Another property has been transferred to real estate segment during the year and plans are in place for development of this property in near future.

II. General Review

In last 20 years, Indian Textile Sector was exposed to the changes occurring in the global market. The competition for Indian Textile Companies became bigger and non traditional. The Companies went for bigger capacities, modernization and diversification of product range. Textile Modernization Fund created by Government of India was boon for Textile Industry. 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 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 after a gap of twenty years. With increase in demand of yarn for exports coupled with low production of cotton world over, the yarn prices steeply increased during the year and independent weavers were worst affected. There is tough competition with low cost producing neighboring 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, inter alia, placed order for one Mercerizing machine to process cotton fabrics, which facility it does not have now. Power situation in the State is too bad coupled with high cost of power. Plans are under finalization for setting up a cogeneration plant for production of steam and power. 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 proposed to be met by induction of fresh personnel, as all old hands who were genuinely interested in rejoining their duties, have already reported for their duties and absorbed. The problems in procurement of spares for old machines continued and steps have been initiated for replacement of such machinery by new ones. However, the Company has not been able to take advantage of TMF Scheme due to pendency of its case before BIFR. The prices of yarn used as raw material by the Company further increased and peaked during the year. However, the same have shown signs of cooling down in last two months. The Company is in the process of strengthening its sales network and efforts are on to increase production and improve quality of fabrics produced. The real estate segment has thrown new opportunities for your company as this segment could come to the rescue of the company from its worst ever crisis in its history. The year ahead may therefore be a year of consolidation and foundation for a better future.

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, 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 88th Annual Report together with the audited Statements of Account of the Company for the financial year ended 31st March, 2011.

Financial Results :	2010-11	2009-10
	Rs./Lacs	Rs./Lacs
2.1 Sales	19012.43	112.21
Profit/Loss before Interest and Depreciation	3906.42	(668.12)
Interest Expenses	(345.69)	(304.97)
Profit/Loss before Depreciation	3560.73	(973.09)
Add : Depreciation	16.02	11.63
Profit/Loss for the year	3544.71	(984.72)
Adjustments relating to previous years	(4.46)	(446.47)
Balances Written Off	(3974.54)	(100.59)
Liabilities Written Back	26303.63	5913.88
Net Profit	25869.34	4382.10
Less : Provision for Taxation	831.00	–
Profit after Tax	25038.34	4382.10
Transfer from Capital Reserve	10987.02	–
Deficit brought forward from previous year	(44436.56)	(48,818.66)
Balance Loss carried to Balance Sheet	(8411.20)	(44,436.56)

2.2 The Directors are pleased to inform you that revenue from sales during the current year increased to Rs.190.12 Crores including Rs.182 Crores from real estate segment as compared to Rs.1.12 Crores in the previous year. 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. Prices of Yarn, being raw material for the Company, increased steeply and unabated during the year coupled with increase in other costs of production on account of increase in dearness allowance, power tariff, coal prices and other costs. In view of continued losses in Textile Segment, the Directors are unable to recommend any dividend.

Rehabilitation :

3. 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 done and production operations

augmented in a phased manner. Needs for modernization and product diversification have been identified and orders placed for new machines, some of which have already arrived and put into operation. During the year, the dues of few more lenders were settled and paid as per compromise and accounting adjustments for consequent waiver of interest were made. To meet pressing needs of funds, the Company sold its Lakshman Bagh property in real estate segment during the year though the Company had taken steps to develop this property at its own and got its development plans approved from the concerned authorities. There is profit of Rs.54.81 crores in real segment and loss of Rs.18.61 crores in textiles segment during the year. After accounting for other income of Rs.0.96 crore and taking credit for exceptional items of Rs.223.25 crores (comprising of interest write backs of Rs. 263.04 crores upon OTS settlements and write off amounts of Rs.39.79 crores), net profit for both the segments amounts to Rs.258.69 crores.

Assets Sale Committee :

4. 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. Sale of Lakshman Bagh property was concluded during the year as per ASC decision and approval. The ASC is seized of sale of other properties.

Corporate Governance :

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

Insurance :

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

Directors :

7. In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Nidhipati Singhania, Shri P.K. Saraf and Dr. J.N. Gupta retire by rotation and are eligible for re-appointment.

8. During the year casual vacancy was caused in the Board of Directors of the Company due to demise of Shri R.R.Mansingh on 16th October, 2010. The Company records appreciation of the valuable services rendered by Late Shri R.R.Mansingh during his tenure as Director of the Company and expresses gratitude for the same. Dr K.B.Agarwal has been appointed as director of the Company with effect from 9th November, 2010 in the casual vacancy caused by said demise of Shri R.R.Mansingh. Dr. K.B.Agarwal is M.Com., LL.B., Ph.D., AICWA & FCS. He has vast experience in the fields of Finance, Accounts and Capital Market. He is past

President of the U.P. Stock Exchange Ltd. and Merchants' Chamber of Uttar Pradesh. He is Vice Chairman & Director of M/s Key Corp. Ltd.

Information regarding Conservation of Energy etc.:

9. Steps have been initiated for necessary modifications in the Plant & Machinery to conserve power and for technology absorption keeping in view technological innovations over the years as well as for modernization. Automatic power factor controller has been installed to improve power factor from 0.95-0.98 to 0.99 to save power. 3 Nos. 100 CFM compressors were modified by putting in header with pressure switches to reduce power load from two motors to one motor. Mechanical chokes of 500 tube lights have been replaced by electronic chokes. D.C. Drive has been changed to A.C. drive motor in case of Sanforizing machine. An Economizer in the form of smoke tube cum water tube was installed to use waste hot flues of Chimney in the Thermo-pack to feed preheated water in Boiler at around 80° temperature in place of 30°-40° temperature in normal course. Steam pressure boosters have been developed whereby steam passes three times through coil of thermic fluid & get heated and converted into dry steam, thereby increasing steam pressure for finishing of fabrics. Condensate recovery system has been installed in process house whereby boiling water is used for Jet Dyeing Machine in place of steam. Pressure regulating valves have been installed in main steam pipeline to Sizing Deptt. to minimise wastage of steam. Provision for rain harvesting has been done at several points in the Mill to conserve water. WI-FY system has been installed in the Mill for wireless connectivity for internet services. Further measures are in place for use of Information Technology for improvement of working of the Mill.

Foreign Exchange :

10. There is no foreign exchange earning during the year under review. The exchange outgo on account of import of spare parts during the year was Rs.181592/-(2009-10 Rs.80182/-) and on account of miscellaneous expenses was Rs.4422/- (2009-10 Rs. Nil).

Particulars of Employees :

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

Auditors :

- 12.1 Observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts and call for no further comments.
- 12.2 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 :

13. As mentioned in para 3 above, Rehabilitation Scheme sanctioned by Hon'ble BIFR is under implementation. The Company has prepared the Accounts for the year 2010-11 on a going concern basis. The write back of liabilities to remaining lenders would be given effect 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 2010-11 and of the profit 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.

Listing Arrangement :

14. At present the Company's shares are listed with Stock Exchanges at Delhi and Kanpur. The Company has paid listing fee for Financial Year 2010-11 to both the Stock Exchanges.

General :

- 15.1 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 entered into compromise and settled dues of majority of the secured lenders and entered into MOU with Trade Unions. The operations during the year were peaceful except on two occasions when majority of workmen absented from their duties due to call for general strike at national level against price rise and workmen demand for increased wages. The matter was amicably resolved. Steps have been initiated for modernization and product diversification for production of processed cotton fabrics.

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

With reopening of the Mill and commencement of operations, the Rehabilitation Scheme has now been implemented to a large extent.

15.2 Record rise in prices of yarn during the year has steeply increased the cost of raw materials for the Company. Increase in power tariff and heavy power cuts & trippings during the year added to the woes of the Company. On account of non availability of spare parts and abysmally high power consumption for some old machines, the Company is taking steps for their replacement by new machines. Yarn prices have slightly come down during April/May 2011 and it is hoped that with various measures

taken by your company's management, the Company shall be able to consolidate its operations in due course of time.

15.3 The Directors are thankful to all the stakeholders for bearing with the Company in difficult times and for their continued support.

Registered Office :
Kamla Tower,
Kanpur
Date : 27th May, 2011

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, 2011 is 10 (Ten). The composition is given below :-

- One Promoter, Executive, Non-independent Director
- Three Promoters, Non-Executive, Non-independent Directors
- One Non-Executive, Non-independent Director
- Five 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.	Shri P. K. Saraf	Non-Executive, Non-Independent	-	-	-	-	-
6.	Dr. K. B. Agarwal*	Non-Executive, Independent	-	-	3	2	2
7.	Dr. J. N. Gupta	Non-Executive, Independent	-	-	2	-	1
8.	Shri K. C. Aggarwal** Nominee of AFL	Non-Executive, Independent	-	-	-	-	-
9.	Shri Lalit Mohan Agarwal	Non-Executive, Independent	-	-	-	-	-
10.	Shri R.K. Saxena	Non-Executive, Independent	-	-	-	-	-
11.	Shri S. P. Arora*** Nominee of IFCI	Non-Executive, Independent	-	-	2	-	-
12.	Shri Ganesh Chaudhary# Nominee of AFL	Non-Executive, Independent	-	-	-	-	-
13.	Shri R. R. Mansingh##	Non-Executive, Independent	-	-	1	-	-

* Appointed as Director w.e.f. 9th November, 2010

** Appointed as Director w.e.f. 31st July 2010

*** Ceased to be Director w.e.f. 26th May, 2010

Ceased to be Director w.e.f. 31st July 2010

Ceased to be Director w.e.f. 16th October, 2010

@ 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.

JUGGILAL KAMLAPAT 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, 2011, five Board Meetings were held on the following dates :-

- 21st May, 2010
- 28th May, 2010
- 14th August, 2010
- 9th November, 2010
- 14th February, 2011

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 27.09.10
1	Dr. Gaur Hari Singhania	5	YES
2	Shri Yadupati Singhania	5	YES
3	Shri Govind Hari Singhania	3	NO
4	Shri Nidhipati Singhania	1	NO
5	Shri P.K.Saraf	5	NO
6	Dr. K.B.Agarwal*	1	NO
7	Dr. J.N.Gupta	5	NO
8	Shri K.C.Agarwal**	0	NO
9	Shri Lalit Mohan Agarwal	4	NO
10	Shri R.K.Saxena	4	NO
11	Shri S.P.Arora***	0	NO
12	Shri Ganesh Chaudhary#	1	NO
13	Shri R.R.Mansingh##	1	NO

* Appointed as Director w.e.f 9th November,2010

** Appointed as Director w.e.f 31st July,2010

*** Ceased to be Director w.e.f. 26th May, 2010

Ceased to be Director w.e.f. 31st July, 2010

Ceased to be Director w.e.f. 16th October, 2010

(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	Dr. K.B.Agarwal*	-
6	Dr. J.N.Gupta	-
7	Shri K.C.Agarwal**	-
8	Shri Lalit Mohan Agarwal	-
9	Shri R.K.Saxena	2
10	Shri S.P.Arora***	-
11	Shri Ganesh Chaudhary#	-
12	Shri R.R.Mansingh##	-

* Appointed as Director w.e.f 9th November,2010

** Appointed as Director w.e.f 31st July,2010

*** Ceased to be Director w.e.f. 26th May, 2010

Ceased to be Director w.e.f. 31st July, 2010

Ceased to be Director w.e.f. 16th October, 2010

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 (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, 2011, five meetings were held on 21st May, 2010, 28th May, 2010, 14th August, 2010, 9th November, 2010 and 14th February, 2011.

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Dr. J. N. Gupta	5
Shri P. K. Saraf	5
Shri R. K. Saxena	4
Shri R.R. Mansingh#	1

Ceased to be Member w.e.f. 16th October, 2010

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, 2011

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1	Dr. Gaur Hari Singhania @	-	-	-	-
2	Shri Yadupati Singhania	-	-	25600	25600
3	Shri Govind Hari Singhania	-	-	15000	15000
4	Shri Nidhipati Singhania	-	-	5000	5000
5	Shri P.K.Saraf	-	-	34000	34000
6	Dr. K.B.Agarwal*	-	-	5000	5000
7	Dr. J.N.Gupta	-	-	30000	30000
8	Shri K.C.Aggarwal**	-	-	-	-
9	Shri Lalit Mohan Agarwal	-	-	23000	23000
10	Shri R.K.Saxena	-	-	24000	24000
11	Shri S.P. Arora ***	-	-	-	-
12	Shri Ganesh Chaudhary #	-	-	5000	5000
13	Shri R.R.Mansingh ##	-	-	7000	7000

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

* Appointed as Director w.e.f 9th November,2010

** Appointed as Director w.e.f 31st July,2010

*** Ceased to be Director w.e.f. 26th May, 2010

Ceased to be Director w.e.f. 31st July, 2010

Ceased to be Director w.e.f. 16th October, 2010

5. Shareholders' Grievance Committee

(a) Composition

The Committee comprises of following Directors :

Shri P.K.Saraf	: Non-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 1 (one) complaint during the Financial Year 2010-11 and the complaint was redressed and there was no complaint pending as at 31.03.2011.

(c) Meetings/Attendance

During the financial year ended 31st March, 2011, four meetings were held on 21st May, 2010, 14th August, 2010, 9th November, 2010 and 14th February 2011.

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Shri P.K.Saraf	4
Shri Lalit Mohan Agarwal	3
Shri R.R. Mansingh#	1

Ceased to be Member w.e.f. 16th October, 2010.

6. General Body Meetings

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

Financial Year	Date	Time	Place
2007-08	8th August, 2008	1.00 pm	Registered Office, Kamla Tower, Kanpur
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

Special Resolution passed at the last three AGM

Date	Short particulars of Special Resolution passed at the AGM
8th August, 2008	Approval of Appointment of Dr. Gaur Hari Singhania as Managing Director.
23rd September, 2009	1. Extension of date of redemption of Preference Share. 2. Alteration of Article 4(3)(C) of Article of Association.
27th September, 2010	1. Increase in borrowing powers of the Company

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, three directors viz. Shri Nidhipati Singhania, Shri P. K. Saraf and Dr. J. N. Gupta 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 Nidhipati Singhania** is Master of Commerce. He is associated with the Company as promoter Director since 1987. He has wide

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

experience in man made fiber and textile industry.

- (b) **Shri P.K. Saraf** is B.Com (Hon.), CA & LLB. He has wide experience in Finance, General Management and Corporate matters.
- (c) **Dr J.N.Gupta** is M.Com., Ph.D., C.A.I.I.B, D.I.F. He has vast experience in Finance, Banking and Capital Market. He is Chief Executive Officer of Jagran Education Foundation and a member of the Board of Directors of M/s Jaiprakash Associates Ltd. and M/s Kanpur Plastipack Ltd.

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 & 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 2010-11."

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.jkcotton.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 2010-11 duly signed by the CEO and CFO has been placed before the Board in the meeting held on 27th May, 2011.

11. General Shareholders Information

a) Annual General Meeting

Date /Time : Thursday, the 25th August, 2011 / 1.00 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, 2011

- (2) Second Quarter Results - On or before 14th November, 2011
- (3) Third Quarter Results - On or before 14th February, 2012
- (4) Results for the year ending - On or before 31st March 2012 30th May, 2012

c) Date of Book Closure

16th August, 2011 to 25th August, 2011
(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.	2010-11	J00011
2.	Delhi Stock Exchange Ltd.	2010-11	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, 2011

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	7758	96.28	750001	3.18
501 to 1000	178	2.21	137364	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	22427865	95.12
Total	8058	100.00	23577750	100.00

j) Category wise Shareholding-Equity as on 31st March, 2011

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	-	-	-	-
Financial Institutions/Banks	18	0.22	6239	0.03
Insurance Companies	4	0.05	99142	0.42
FIs	-	-	-	-
Bodies Corporate	93	1.16	345750	1.46
Individuals	7921	98.30	1121272	4.76
Others	6	0.07	282000	1.20
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 new machines are installed at J.K. Manufactures 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

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, 2011, 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 : 27.05.2011

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

BALANCE SHEET
AS AT 31ST MARCH, 2011

	Schedule	31.3.2011 (₹)	31.3.2010 (₹)
I. SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	23,73,49,500	23,73,49,500
Reserves & Surplus	2	1,39,05,19,822	1,12,99,36,763
		<u>1,62,78,69,322</u>	<u>1,36,72,86,263</u>
Loan Funds			
Secured Loans	3	1,02,22,82,653	4,26,74,76,441
Unsecured Loans	4	—	39,92,49,817
		<u>1,02,22,82,653</u>	<u>4,66,67,26,258</u>
	TOTAL	<u>2,65,01,51,975</u>	<u>6,03,40,12,521</u>
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	61,49,40,940	61,26,46,027
Less : Depreciation		56,32,14,495	57,39,44,511
Net Block		<u>5,17,26,445</u>	<u>3,87,01,516</u>
Investments	6	9,89,171	9,89,171
Current Assets, Loans & Advances			
Inventories		1,48,88,88,808	1,33,04,43,167
Sundry Debtors		1,91,21,988	39,90,59,486
Cash & Bank Balances		27,36,09,591	13,08,590
Other Current Assets		39,16,489	3,828
Loans & Advances		5,55,38,846	98,18,297
		<u>1,84,10,75,722</u>	<u>1,74,06,33,368</u>
Less : Current Liabilities & Provisions	8	8,47,59,483	18,99,67,836
Net Current Assets		<u>1,75,63,16,239</u>	<u>1,55,06,65,532</u>
Profit & Loss Account		<u>84,11,20,120</u>	<u>4,44,36,56,302</u>
	TOTAL	<u>2,65,01,51,975</u>	<u>6,03,40,12,521</u>
Significant Accounting Policies & Notes on Accounts	16		
Additional Information	17		

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
RAJENDRA GUPTA
Partner
Kanpur
Dated : 27th May, 2011

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI
P. K. SARAF
J. N. GUPTA } Directors

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-2011		2009-2010	
		(₹)	(₹)	(₹)	(₹)
I. INCOME					
Sales					
Real Estate		1,82,00,00,000		-	
Textile Unit	9	<u>8,12,43,173</u>	1,90,12,43,173	<u>1,12,20,629</u>	1,12,20,629
Interest (Gross)			99,16,450		1,05,395
Other Income	10		1,76,81,037		84,49,573
Stocks at Close					
Finished (Textile Unit)			8,12,64,532		4,18,66,009
Work in Progress					
Real Estate		1,36,03,00,000		1,23,54,16,332	
Textile Unit		<u>1,82,54,312</u>	<u>1,37,85,54,312</u>	<u>4,23,92,140</u>	<u>1,27,78,08,472</u>
TOTAL			<u>3,38,86,59,504</u>		<u>1,33,94,50,078</u>
II. EXPENDITURE					
Stocks at Commencement					
Finished			4,18,66,009		1,47,73,104
Work in Progress					
Real Estate		1,23,54,16,332		-	
Textile Unit		<u>4,23,92,140</u>	<u>1,27,78,08,472</u>	<u>2,99,32,709</u>	<u>2,99,32,709</u>
Purchases - Cloth			28,47,735		-
Raw Materials Consumed			10,50,54,842		2,75,70,748
Stores & Spares			2,19,61,917		80,74,693
Employees	11		6,49,01,348		3,36,64,461
Power & Fuel	12		4,97,47,593		1,85,12,673
Repairs & Maintenance	13		2,02,04,942		1,88,92,980
Insurance			3,83,704		2,65,380
Sundry Manufacturing Expenses			32,34,490		7,50,656
Property Development			1,39,52,62,361		1,23,54,16,332
Stores Stock Written Off			-		56,69,085
Administration Expenses	14		1,31,39,279		1,21,16,171
Selling Expenses	15		16,05,254		6,23,571
Interest			3,45,69,082		3,04,97,065
TOTAL			<u>3,03,25,87,028</u>		<u>1,43,67,59,628</u>
PROFIT/(LOSS) BEFORE DEPRECIATION			35,60,72,476		(9,73,09,550)
Depreciation			16,02,099		11,62,624
PROFIT/(LOSS) AFTER DEPRECIATION BUT BEFORE EXCEPTIONAL ITEMS			35,44,70,377		(9,84,72,174)
EXCEPTIONAL ITEMS					
<i>Add/Deduct :</i>					
- Adjustments relating to previous years			(4,45,570)		(4,46,46,879)
- Balances Written off			(85,166)		(1,00,59,265)
- Bad Debts Written off			(39,72,40,959)		-
- Fixed Assets Written off			(1,28,009)		-
- Liabilities Written Back [Refer Note No.B(6) Schedule 16]			<u>2,63,03,63,415</u>		<u>59,13,88,066</u>
PROFIT AFTER EXCEPTIONAL ITEMS AND BEFORE TAX			2,58,69,34,088		43,82,09,748
Less: Provision for Taxation			8,31,00,000		-
PROFIT AFTER TAXATION			<u>2,50,38,34,088</u>		<u>43,82,09,748</u>
<i>Add :</i> Transfer from Capital Reserve			1,09,87,02,094		-
<i>Less:</i> Loss brought forward from previous year			<u>4,44,36,56,302</u>		<u>4,88,18,66,050</u>
BALANCE LOSS CARRIED TO BALANCE SHEET			<u>84,11,20,120</u>		<u>4,44,36,56,302</u>
Earning Per Share (Basic & Diluted)			106.19		18.58
Significant Accounting Policies & Notes on Accounts	16				
Additional Information	17				

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

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 27th May, 2011

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI
P. K. SARAF
J. N. GUPTA } Directors

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (₹)	2009-2010 (₹)
A. Cash flow from operating Activities		
Profit before Tax	2,58,69,34,088	43,82,09,748
Adjustments for :		
Depreciation	16,02,099	11,62,624
Profit on Sale of Assets	(95,99,733)	(6,41,250)
Interest income	(99,16,450)	(1,05,395)
Interest expenses	3,45,69,082	3,04,97,065
Inventories Written Off	-	56,69,085
Bad Debts Written Off	39,72,40,959	-
Fixed Assets Written Off	1,28,009	-
Balances Written Off	85,166	1,00,59,265
Fixed Assets Transferred to Stock	4,95,332	3,76,884
Liabilities Written Back	<u>(2,63,03,63,415)</u>	<u>(59,13,88,066)</u>
Operating Profit/(Loss) before Working Capital Changes	37,11,75,137	(10,61,60,040)
(Increase)/Decrease in Inventories	1,20,08,39,512	(17,98,47,062)
(Increase)/Decrease in Trade & Other Receivables	(6,31,09,176)	(51,53,670)
Increase/(Decrease) Trade Payable & Other liabilities	<u>(10,52,08,353)</u>	<u>11,85,30,301</u>
Cash utilised in Operations	1,40,36,97,120	(17,26,30,471)
Taxes Paid	<u>(8,31,00,000)</u>	<u>(4,620)</u>
Net Cash Used in Operating Activities	<u>1,32,05,97,120</u>	<u>(17,26,35,091)</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,57,55,618)	(33,26,204)
Interest Income	60,03,789	1,05,179
Decrease in Investments	-	135
Sale of Fixed Assests	<u>1,01,04,982</u>	<u>6,75,000</u>
Net Cash used in Investing Activities	<u>3,53,153</u>	<u>(25,45,890)</u>
C. Cash Flow from Financing Activities		
Increase in Long Term Loan	7,35,29,005	-
Proceeds from Unsecured Loan	6,20,00,000	25,95,00,000
Repayments of Unsecured Loan	(46,09,01,684)	(5,00,00,000)
Repayments of Loan (OTS)	(46,82,02,994)	(5,70,67,789)
Interest paid	<u>(25,50,73,599)</u>	<u>(3,62,36,291)</u>
Net Cash Flow From Financing Activities	<u>(1,04,86,49,272)</u>	<u>11,61,95,920</u>
Net Increase/(Decrease) in Cash & Cash equivalents	27,23,01,001	(5,89,85,061)
Opening Balance of Cash & Cash equivalents	13,08,590	6,02,93,651
Closing Balance of Cash & Cash equivalents	27,36,09,591	13,08,590

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 27th May, 2011

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI
P. K. SARAF
J. N. GUPTA

} Directors

SCHEDULES

SCHEDULE 1 - SHARE CAPITAL

	31.3.2011 (₹)	31.3.2010 (₹)
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) Preference shares of Rs. 15,72,000/- will be due for redemption on 30.09.2014.

SCHEDULE 2 - RESERVES AND SURPLUS

	31.3.2011 (₹)	(₹)	31.3.2010 (₹)	(₹)
Capital Reserve				
[Refer Note No. 3 of Schedule 16(B)]				
As per last Balance Sheet	1,10,57,51,313		70,49,219	
Add : Addition during the year	<u>1,35,92,85,153</u>		<u>1,09,87,02,094</u>	
	2,46,50,36,466		1,10,57,51,313	
Less : Transfer to Profit & Loss Account	<u>1,09,87,02,094</u>	1,36,63,34,372	—	1,10,57,51,313
Capital Redemption Reserve		31,86,800		31,86,800
Share Premium Account		2,09,98,650		2,09,98,650
Total	<u>1,39,05,19,822</u>		<u>1,12,99,36,763</u>	

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

SCHEDULE 3 - SECURED LOANS

	31.3.2011 (₹)	31.3.2010 (₹)
From Banks	7,35,29,005	14,76,07,041
From Others	94,85,35,643	1,26,91,31,596
Interest accrued and due	<u>2,18,005</u>	<u>2,85,07,37,804</u>
Notes :	Total	<u>4,26,74,76,441</u>
	<u>1,02,22,82,653</u>	

Loans from Banks – ₹ 7,35,29,005/-

The loan is secured by pledge of fixed deposit receipt of Banks.

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).

Interest accrued and due - ₹ 2,18,005/-

Secured by hypothecation of all movable property of the Company's Cotton Textile Unit including its movable plant & machinery, machinery spares, tools and accessories and other movables both present and future (save and except book debts).

SCHEDULE 4 - UNSECURED LOANS

	31.3.2011 (₹)	31.3.2010 (₹)
Short Term Loans		
From Others	—	6,68,96,109
Other Loans		
From Directors	—	2,09,10,000
From other than Bank	—	31,10,95,575
Interest accrued and due	—	3,48,133
Total	<u>—</u>	<u>39,92,49,817</u>

SCHEDULE 5 - FIXED ASSETS

	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 1.04.2010	Addi- tions/ Adjust- ments	Deduc- tions/ Adjust- ments*	As at 31.3.2011	As at 1.4.2010	Provided during the year	Deduc- tions	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land(Including Lease-hold Rs.31,376/-)	81,57,680	—	1,66,819	79,90,861	—	—	—	—	79,90,861	81,57,680
Buildings	4,00,64,525	—	5,53,731	3,95,10,794	3,19,43,121	10,66,861	2,52,660	3,27,57,322	67,53,472	81,21,404
Railway Siding	30,652	—	30,652	—	30,022	—	30,022	—	—	630
Plant & Machinery	55,84,93,880	1,18,21,276	1,01,53,958	56,01,61,198	53,89,41,853	4,33,309	96,22,237	52,97,52,925	3,04,08,273	1,95,52,027
Furniture & Fittings and Office Equipments.	35,93,204	4,93,553	24,14,957	16,71,800	28,92,719	42,251	22,94,209	6,40,761	10,31,039	7,00,485
Vehicles	1,86,461	22,60,382	1,40,588	23,06,255	1,36,796	59,678	1,32,987	63,487	22,42,768	49,665
Total	<u>61,05,26,402</u>	<u>1,45,75,211</u>	<u>1,34,60,705</u>	<u>61,16,40,908</u>	<u>57,39,44,511</u>	<u>16,02,099</u>	<u>1,23,32,115</u>	<u>56,32,14,495</u>	<u>4,84,26,413</u>	<u>3,65,81,891</u>
Machinery in Stores	3,00,515	—	—	3,00,515	—	—	—	—	3,00,515	3,00,515
Machinery in Transit	18,19,110	—	18,19,110	—	—	—	—	—	—	18,19,110
Capital work in Progress	—	29,99,517	—	29,99,517	—	—	—	—	29,99,517	—
Total	<u>61,26,46,027</u>	<u>1,75,74,728</u>	<u>1,52,79,815</u>	<u>61,49,40,940</u>	<u>57,39,44,511</u>	<u>16,02,099</u>	<u>1,23,32,115</u>	<u>56,32,14,495</u>	<u>5,17,26,445</u>	<u>3,87,01,516</u>
Previous year	88,75,40,142	33,26,204	27,82,20,319	61,26,46,027	69,55,01,106	11,62,624	12,27,19,219	57,39,44,511		

Notes :

- No amount has been written off from the value of leasehold land.
- * Includes ₹ 1,01,04,981 of sale value of Fixed Assets as cost is not ascertainable.

SCHEDULES

SCHEDULE 6 - INVESTMENTS

	Class of Shares	Nominal Value of each Share (₹)	31.03.2011		31.03.2010	
			No. of Shares	Book Value** (₹)	No. of Shares	Book Value** (₹)
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	9,00,114	10351	9,00,114
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.	"	5/-	102	2,541	102	2,541
Accurate Finman Services Ltd.	"	10/-	2070	-	2070	-
Jaykay Enterprises Ltd.	"	1/-	240	9,600	240	9,600
J.K.Cement Ltd.	"	10/-	48	-	48	-
	Total			<u>9,89,171</u>		<u>9,89,171</u>
Notes : (i)	Aggregate Book Value of Quoted Investments.			9,78,005		9,68,405
	Aggregate Book Value of Unquoted Investments.			11,166		20,766
				<u>9,89,171</u>		<u>9,89,171</u>
	Aggregate Market Value of Quoted Investments.			25,31,279		18,76,741
(ii)	**Investments have been valued at or below cost.					

SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES

	31.3.2011		31.3.2010	
	(₹)	(₹)	(₹)	(₹)
(a) Inventories				
Stores & Spares	35,68,394		23,33,512	
Raw Materials	2,55,01,570		39,64,920	
Material in Transit	-		44,70,254	
Finished goods	8,12,64,532		4,18,66,009	
Goods-in-process	1,82,54,312		4,23,92,140	
Work in Progress (Real Estate)	1,36,03,00,000	1,48,88,88,808	1,23,54,16,332	1,33,04,43,167
(b) Sundry Debtors (Unsecured)				
Debts outstanding for a period exceeding six months				
- considered good	38,03,948		-	
- considered doubtful	-		39,73,04,372	
Other Debts	1,53,18,040	1,91,21,988	17,55,114	39,90,59,486

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

(c) Cash & Bank Balances :

Cash in hand	2,62,201		1,45,472	
Balance with scheduled Banks:				
In current Accounts	31,84,575		4,69,567	
In Deposit Accounts (Includes ₹ 850 lacs pledged against OD and ₹ 2.41 lacs employee security deposit)	<u>27,01,62,815</u>	27,36,09,591	<u>6,93,551</u>	13,08,590

(d) Other Current Assets :

Income accrued on deposits		39,16,489		3,828
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(e) Loans and Advances

(Unsecured considered good unless otherwise specified)

Advances recoverable in cash or in kind or for value to be received	2,35,82,384		62,73,099	
Advance Tax and TDS (Net of Provisions)	2,94,56,831		14,76,284	
Prepaid Expenses	4,43,686		9,64,464	
Deposits [including balance with the Central Excise and Customs Department - ₹ 70000/- (2009-2010 - ₹70000/-)]	<u>20,55,945</u>	5,55,38,846	<u>11,04,450</u>	98,18,297
Total		<u>1,84,10,75,722</u>		<u>1,74,06,33,368</u>

SCHEDULE 8 - CURRENT LIABILITIES & PROVISIONS

31.03.2011

31.03.2010

(₹)

(₹)

(a) Current Liabilities

Sundry Creditors	1,53,99,721		7,25,79,494	
Other Liabilities	6,11,67,586		11,23,03,114	
Temporary Book Overdraft	49,35,621		6,40,274	
Investor Education & Protection Fund shall be credited by following #				
Unclaimed Debentures OTS Amount	5,22,312		6,08,470	
Unclaimed Public Deposits OTS Amount	<u>27,34,243</u>	32,56,555	<u>38,36,484</u>	44,44,954

(b) Provisions

Total		<u>8,47,59,483</u>		<u>18,99,67,836</u>
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Note : Amounts to be transferred to said fund shall be determined on the respective due dates.

SCHEDULES**SCHEDULE 9 - SALES**

	2010-2011	2009-2010
	(₹)	(₹)
Cloth Sales	7,63,79,936	84,49,296
Sundry Sales	48,63,237	27,71,333
Total	<u>8,12,43,173</u>	<u>1,12,20,629</u>

SCHEDULE 10 - OTHER INCOME

Licence Fee	12,00,000	12,00,000
Rent	68,52,000	65,81,800
Dividend received	29,304	20,261
Profit on Sale of Fixed Assets	95,99,733	6,41,250
Sundry Receipts	—	6,262
Total	<u>1,76,81,037</u>	<u>84,49,573</u>

SCHEDULE 11 - EMPLOYEES

Salaries, Wages and Bonus etc.	5,57,26,504	2,85,56,067
Contribution to Provident and other Funds	60,12,023	32,48,977
Workmen and staff welfare expenses	31,62,821	18,59,417
Total	<u>6,49,01,348</u>	<u>3,36,64,461</u>

SCHEDULE 12 - POWER & FUEL

Electricity	2,39,21,638	99,15,865
Coal Consumption	2,01,60,721	65,00,565
Diesel & others	56,65,234	20,96,243
Total	<u>4,97,47,593</u>	<u>1,85,12,673</u>

SCHEDULE 13 - REPAIRS & MAINTENANCE

Buildings	58,55,256	63,86,342
Machinery	1,38,04,787	1,20,03,083
Others	5,44,899	5,03,555
Total	<u>2,02,04,942</u>	<u>1,88,92,980</u>

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

SCHEDULE 14 - ADMINISTRATION & SUNDRIES	2010-2011 (₹)	2009-2010 (₹)
Rent	24,474	24,474
Rates & Taxes	19,50,628	18,97,600
Advertisement	4,64,274	1,56,074
Travelling & Conveyance	17,90,232	7,18,963
Transport Charges	10,32,726	8,06,150
Law Charges	11,78,004	12,14,607
Finance Charges	10,25,969	40,45,728
Consultancy Charges	12,88,199	59,219
Retainership Fee	2,82,657	2,74,270
Directors' Fees	1,73,600	2,23,600
Remuneration to Auditors :		
As Audit Fee	55,150	55,150
For other services	3,309	3,309
Printing & Stationery	6,36,773	5,43,509
Telephone	6,81,335	4,44,518
Licence Fee	3,68,000	4,59,025
Office Expenses	7,49,269	2,95,019
Charges General	3,89,109	3,24,202
Miscellaneous Expenses	10,45,571	5,70,754
Total	<u>1,31,39,279</u>	<u>1,21,16,171</u>

SCHEDULE 15 - SELLING EXPENSES		
Commission on Sale	13,39,002	1,22,800
Other Selling Expenses	1,32,614	4,70,129
Freight and Handling Outward	1,33,638	30,642
Total	<u>16,05,254</u>	<u>6,23,571</u>

SCHEDULE 16 - 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 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 Account. Gratuity and leave encashment liabilities are accounted for on accrual basis based on actual liability.

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 Rs.1,09,29,009/- (Previous year Rs. Nil)
 - (iii) Arrears of dividend on preference shares – Rs.10,29,520/- (Previous Year - Rs.9,08,400/-)
 - (iv) In respect of trade tax for the assessment year 1989-90 for which appeal is pending Rs. 42,469/- (Previous Year- Rs. 42,469/-).
2. The total liability in respect of future payment of gratuity and leave encashment to employees as at 31.3.2011 has been determined and accounted for on accrual basis.
 3. The Company's properties at Lakshman Bagh, Kanpur and Jajmau, Kanpur were converted into stock in trade as on 31.7.2009 and 28.2.2011 at Rs.1,10,00,00,000/- and Rs.1,36,00,00,000/- respectively and the difference between their conversion value and book value amounting to Rs.1,09,87,02,094/- and Rs.1,35,92,85,153/- respectively has been credited to capital reserve in the respective years.

4. 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.
5. Interest expenses include Rs. 2,25,60,454/- on fixed loans (2009-10 Rs. 2,13,36,795/-).
6. Liabilities written back includes Rs. 2,63,03,63,415/- (2009-10 Rs. 49,28,53,886/-) on account of settlement of dues of some lenders on actual payment basis, Rs. Nil (2009-10 Rs. 9,85,34,180/-) on account of non operative and time barred creditors and is net of write off of advances and other current assets non recoverable and time barred amounting to Rs. Nil (2009-10 Rs.1,00,59,267/-).
7. 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.
8. 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. Amount outstanding for more than 45 days is nil.
9. During the previous year the Company had entered into real estate segment in addition to existing line of product, viz. manufacture of fabrics. While one property transferred to real estate segment in the previous year was sold during the year, conversion value of another property transferred to this segment during the current year together with developmental expenditure incurred thereafter has been included in Stock in trade.
10. Deferred Tax assets have not been recognised on account of virtual uncertainty as per Accounting Standard 22 – Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.
11. 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.

12. Earning per share (EPS)	2010-2011	2009-2010
	Rs./Lacs	Rs./Lacs
(a) Net Profit		
(i) Before exceptional items	3,544.71	<i>(984.72)</i>
(ii) After exceptional items	25,038.34	<i>4,382.10</i>
(b) Weighted average number of equity shares used as denominator for calculation of EPS	2,35,77,750	<i>2,35,77,750</i>
(c) Basic and diluted earning per share of Rs. 10/- each		
(i) Before exceptional items	11.50	<i>(4.18)</i>
(ii) After exceptional items	106.19	<i>18.58</i>

13. Related party disclosure

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

	2010-2011 Rs./Lacs	2009-2010 Rs./Lacs
i) Jaykay Enterprises Ltd.		
a) Licence Fee received	12.00	12.00
b) Licence Fee paid	3.68	5.36
c) Others	0.28	0.28
ii) J.K. Cement Ltd.		
a) Rent received	5.29	5.29
b) Cloth sales	1.09	0.41
c) Material purchased	1.54	1.13
iii) Yadu International Ltd.		
(a) Loan received		
Balance at the beginning of the year	2,880.00	1,500.00
Loan received during the year	620.00	1,380.00
Loan repaid during the year	3,500.00	Nil
Balance at the end of the year	Nil	2,880.00
(b) Interest paid	225.60	213.37
(c) Finance charges paid	3.75	36.00
iv) Key management personnel & their Relatives		
(a) Shri Yadupati Singhania		
(i) Loan received		
Balance at the beginning of the year	125.00	Nil
Loan received during the year	Nil	125.00
Loan repaid during the year	125.00	Nil
Balance at the end of the year	Nil	125.00
(ii) Sitting Fees	0.26	0.26

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

14. Segment Reporting :

The Company operates in following two Business Segment :-

- A. Textile
- B. Real Estate

Particulars	Textiles (₹)	Real Estate (₹)	Total (₹)
1. Segment Revenue			
External Sales	8,12,43,173	1,82,00,00,000	1,90,12,43,173
Inter- Segment Sales	—	—	—
Other Income	95,99,733	—	95,99,733
Total Revenue	9,08,42,906	1,82,00,00,000	1,91,08,42,906
2. Segment Expenses	30,19,04,916	1,27,18,78,693	1,57,37,83,609
3. Exceptional Items (Net)	2,23,24,63,711	—	2,23,24,63,711
4. Segment Results	2,02,14,01,701	54,81,21,307	2,56,95,23,008
Common Expenses	—	—	5,86,674
Common Income	—	—	1,79,97,754
Extra Ordinary Items	—	—	—
5. Net Profit/(Loss) before Tax	2,02,14,01,701	54,81,21,307	2,58,69,34,088
Provision for Taxation	—	—	8,31,00,000
Net Profit/(Loss) after Tax	2,02,14,01,701	54,81,21,307	2,50,38,34,088
6. Segment Assets (Current Assets)	18,04,17,108	1,36,03,00,000	1,54,07,17,108
Common Assets	—	—	30,03,58,614
Total Assets	18,04,17,108	1,36,03,00,000	1,84,10,75,722
7. Segment Liabilities	15,81,37,678	—	15,81,37,678
Common Liabilities	—	—	94,89,04,458
Total Liabilities	15,81,37,678	—	1,10,70,42,136
8. Capital Expenditure			
Segment Capital Expenditure	60,94,89,126	—	60,94,89,126
Common Expenditure	—	—	54,51,814
9. Depreciation			
Segment Depreciation	56,05,57,248	—	56,05,57,248
Common Depreciation	—	—	26,57,247
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.

16. Schedules 1 to 17 form integral part of the Accounts.

SCHEDULES

SCHEDULE 17 - ADDITIONAL INFORMATION

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 31.3.2011

Class of goods	Unit	*Licenced Capacity		*Installed capacity		Actual production (Packed)	
		As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010	2010-11	2009-10
Textiles	Nos. Ring Spindles	74,440	74,440	48,096	48,096		
	Nos. Looms	Not specified	Not specified	859	987		
Cloth Fents, Rags, and Chindies	Metres	-				29,30,703	9,15,632
	Kgs.					@ 26,895	12,381
		<u>2010-11</u>	<u>2009-10</u>				
Traded Cloth (Purchased)	Metres	34545	NII				

* Licenced and Installed capacities are certified by the management

@ Includes 482 kgs converted from Traded cloth 1929 Mtrs.

2. Opening and Closing stocks of Goods produced (Packed)/Purchased during the year 2010-2011

	Unit	Opening Stock				Closing Stock			
		2010-11		2009-10		2010-11		2009-10	
		Quantity	Amount (₹)	Quantity	Amount (₹)	Quantity	Amount (₹)	Quantity	Amount (₹)
Cloth	Metres	13,77,664	4,18,66,009	7,11,955	1,47,73,104	18,17,890	8,05,42,111	13,77,664	4,18,66,009
Fents, Rags and Chindies	Kgs.	6,710		6,673		1,968		6,710	
Traded Cloth	Metres	-	-	-	-	8,395	7,22,421	-	-

3. Turnover (Excluding Excise Duty and Sales Tax)

	Unit	2010-11		2009-10	
		Quantity	Amount ₹	Quantity	Amount ₹
Cloth	Metres	24,90,477	7,63,79,936	2,49,923	84,49,296
Cloth (Traded)	Metres	24,221		-	
Fents, Rags and Chindies	Kgs	31,637		12,344	
Sundries			48,63,237		27,71,333
Real Estate			1,82,00,00,000		-

4. Raw Material Consumed

	Unit	2010-11		2009-10	
		Quantity Kgs	Amount ₹	Quantity Kgs	Amount ₹
Yarn		6,73,329	10,50,54,842	2,06,168	2,75,70,748

JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO. LTD.

5. Value of Imports calculated on C.I.F. basis

	2010-11	2009-10
	₹	₹
Components and Spare Parts	1,81,592	80,182

6. Value of Raw Materials Consumed

	2010-11		2009-10	
	Amount ₹	Percentage of Total Consumption	Amount ₹	Percentage of Total Consumption
(i) Imported	Nil	Nil	<i>Nil</i>	<i>Nil</i>
(ii) Indigenous	10,50,54,842	100%	2,75,70,748	100%

7. Value of Stores and Spares consumed

(i) Imported	Nil	Nil	<i>Nil</i>	<i>Nil</i>
(ii) Indigenous	2,19,61,917	100%	80,74,693	100%

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

8. Expenditure in foreign currency on account of

(i) Interest	Nil	Nil	<i>Nil</i>	<i>Nil</i>
(ii) Others	4,422	100%	<i>Nil</i>	<i>Nil</i>

For P. L. TANDON & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner
Kanpur
Dated : 27th May, 2011

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI P. K. SARAF J. N. GUPTA	}	Directors
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ABSTRACT OF BALANCE SHEET

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	31.3.2011		

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	26,50,152	Total Assets	26,50,152
Sources of Funds :			
Paid-up Capital	2,37,350	Reserves & Surplus	13,90,520
Secured Loans	10,22,282	Unsecured Loans	-
Application of Funds :			
Net Fixed Assets	51,727	Investments	989
Net Current Assets	17,56,316	Misc. Expenditure	Nil
Accumulated Losses	8,41,120		

IV. Performance of Company

Turnover (Interest, Other Income and exceptional items)	60,19,023	Total Expenditure	34,32,089
Profit before tax	25,86,934	Profit after tax	25,03,834
Earning per share (After Exceptional items)	106.19	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
RAJENDRA GUPTA
Partner
Kanpur
Dated : 27th May, 2011

GAUR HARI
Managing Director & CEO

S. K. KEDIA
CFO & Secretary

YADUPATI P. K. SARAF J. N. GUPTA	}	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, 2011, 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 account;
 - 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) below :

- e). On the basis of written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clauses (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f)
 - i) **Real Estate Inventory converted into Stock-in-Trade has been valued at fair market value on the date of conversion. (Refer Note no.3).**
 - ii) **The liability for gratuity and leave encashment has been made on the basis of actual liability determined by the management. (Refer Note no.2).**
 - iii) **Note No. (11) regarding non provision of impairment losses.**
- 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, 2011.
 - (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
Firm Reg. No. 000186C
RAJENDRA GUPTA
Partner
Membership No. 073250

Place : Kanpur
Dated : 27.05.2011

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) 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 had / has taken Unsecured Loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.3625 Lacs and the year end balance of loans taken from such parties was Rs.NIL.
- (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) 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, 2011 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 not incurred Cash Losses during the financial year covered by our audit, however the company had 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 assign by a Financial Institution and a Bank in favour of a Bank and a Non-Banking Financial Company. The settlement of dues with assignees 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) The company has raised Term Loan during the year under audit and the same has been repaid.

(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 : 27.05.2011

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 88th Annual General Meeting of the Company to be held on Thursday, the 25th August, 2011 and at any adjournment thereof.

Signed this day of2011.

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