

**21<sup>st</sup>**  
**Annual Report**  
**2011-2012**



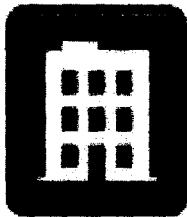
**JAINCO**

**PROJECTS (INDIA) LTD.**

**COMPANY SNAPSHOT:**

**BOARD OF DIRECTORS:**

- |                        |                        |
|------------------------|------------------------|
| 1. Smt. Keya Saraswati | : Executive Director   |
| 2. Mr. Sumit Bhansali  | : Director             |
| 3. Shri Nilesh Chopra  | : Independent Director |
| 4. Shri S.M. Gunecha   | : Independent Director |



**REGISTERED OFFICE:**

Jainco Projects (India) Limited  
2, Clive Ghat Street,  
4<sup>th</sup> Floor, Room No. 4A,  
Kolkata - 700001  
Tel No: (033) 2221-3549, 2229-8606,  
Fax No: +91-2249-6826  
Email: jaincocal@gmail.com  
Website: www.jainco.in

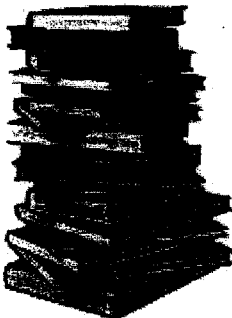
**BANKER:**

UCO BANK



**AUDITORS:**

M/S Sarkar Gurumurthy & Associates  
35, C.R. Avenue,  
Kolkata - 700012



**REGISTRAR & SHARE TRANSFER AGENTS:**

R & D Infotech Pvt. Ltd.  
7A, Beltala Road, 1<sup>st</sup> Floor,  
Kolkata - 700026, West Bengal, India.

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## JAINCO PROJECTS (INDIA) LTD.

### **DIRECTORS' REPORT TO THE MEMBERS:**

Your Directors are pleased to present their report on the business and operations of your Company for the year ended 31st March, 2012

### **1. FINANCIAL RESULTS**

	Year Ended 31 <sup>st</sup> March 2012 Rs. in lakhs	Year Ended 31 <sup>st</sup> March 2011 Rs. in lakhs
Profit / (Loss) before interest and depreciation	49.90	29.35
Less: Interest and Depreciation	33.40	17.99
Profit / (Loss) before tax.	16.50	11.36
Provision for tax:		
Current Tax	(5.10)	(3.47)
Deferred Tax for Current year	0.13	0.15
Current Tax relating to Prior Year	(3.32)	-
Net Profit / (Loss) after tax.	8.21	8.04

### **REVIEW OF OPERATION**

During the year under review the Company has achieved an aggregate pre-tax profit Rs. 16.50 lakhs in the year 2011-12 against a pre-tax profit of Rs. 11.36 lakhs in the year 2010-11 registering a growth of 45.27% over earlier year. However this marginal improvement is not at par with our expectation because of many unforeseen reasons. The major amongst which was increase of stiff competition in the market.

### **PROSPECT IN THE CURRENT YEAR**

During the course of current financial year, your Board has made strategic business plan to upgrade the performance of the Company and accordingly it is expected that the current year will show better results. The Management has also taken some positive steps in this regard to achieve the desired result. However, your Board of Director has been considering launching few diversified activities keeping in view the basic objectives of the Company, which may improve the state of affairs in course of time.

### **DIVIDEND**

Your Directors have considered it financially prudent in the long-term interest of the company to reinvest the profits into the business of the company to build a strong reserve base and grow the business of the company. No dividend has therefore been recommended for the Financial Year 2011-2012.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **a. INDUSTRY STRUCTURE & DEVELOPMENTS**

Industries in the Construction Sector are principally dependent on Government's initiative for expanding necessary infrastructure facilities. With the development of Modern Technology coupled with Industrial Growth, the requirement has been multiplied and accordingly the Company has to rise on the occasion even in the face of stiff competition. Therefore the Company has to give importance for maintaining suitable combination of technical know how to reap the advantages of the growing market condition in the Construction Sector.

#### **b. OPPORTUNITIES AND THREAT**

There has been a radical change in global economies particularly in the developing countries like India which has raised hope for excellent business opportunities as a whole.

The major threats are higher cost of various inputs, higher transportation cost including increase in fixed cost from time to time. The strategies are constantly re-worked to minimize adverse implications, if any.

#### **c. OUTLOOK**

In view of the undergoing economic reforms the prospect of the Industry seems certain. The Management of the Company has been keeping close watch to take this opportunity even at the risk of more investment in this respect.



**d. MANAGEMENT OF RISK & CONCERNS**

The Management has taken steps to keep its position intact in the market which is predominated with stiff competition. Close and constant contact is being maintained with all the current customers and all efforts are being made for developing new.

**e. INTERNAL CONTROL SYSTEMS & ADEQUACY**

The Company has its own independent Internal Control Systems which is commensurate with the size of the Company and it is periodically reviewed to confirm adequacy of the system.

**f. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCES**

A critical appraisal is made by the Audit Committee before drawing Quarterly Statement of Accounts and the Board also reviewed the same on each occasion.

**g. INDUSTRIAL RELATIONS**

The Management takes sufficient care in maintaining good relations with the employees of the Company.

**h. CAUTIONARY STATEMENT**

The foregoing discussion and analysis may differ with actual achievements due to any change in key factors of the economy which is beyond the control of the Management.

**CORPORATE GOVERNANCE**

A separate report on Corporate Governance along with the Compliance certificate duly signed by the Auditors of the Company, forming part of this report, is annexed with this report. The Auditor's Certificate and the Corporate Governance Report on compliance with Clause 49 are self explanatory and do not require further elucidation.

**DE-LISTING OF EQUITY SHARES**

Your Company has initiated necessary action to delist its Equity Shares from the Ahmedabad and Jaipur Stock Exchanges pursuant to the resolution passed at the Tenth Annual General Meeting of the Company held on 27th September, 2001 and the same is still under process.

However the Shares of your Company will continue to be listed in the Calcutta Stock Exchange Association Ltd. and Bombay Stock Exchange Ltd.

**DEPOSITS**

During the year the Company did not accept any Deposits as per the provisions of Section-58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

**PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT**

None of the employees of the Company is drawing remuneration exceeding prescribed limit specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption are not applicable.

However your Board declares that the Company has neither any Foreign Exchange earnings nor any Outgo during the year under review.



## JAINCO PROJECTS (INDIA) LTD.

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### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Article of the Association of the company, Smt. Keya Saraswati retires by rotation at the ensuring Annual General Meeting and is eligible for re-appointment.

### **AUDITORS AND AUDITOR'S REPORT**

Your Directors have no comments on the Auditor's Report since the Report itself is self explanatory. It is stated that M/s. Sarkar Gurumurthy & Associates will retire at the conclusion of this Annual General Meeting and being eligible as per Section 224B of the Companies Act, 1956, they have expressed their willingness for re-appointment

### **DIRECTORS RESPONSIBILITY STATEMENT**

#### **Your Directors confirm that:**

- A. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- B. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss account of the Company.
- C. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D. The Directors have prepared the annual accounts on a going concern basis.

### **SOCIAL COMMITMENT**

In discharge of its social obligations, your Company regularly contributes to trusts formed for charitable purposes.

### **SUBSIDIARY**

It is reported that the Company has no Subsidiary within the meaning of Section 4 of the Companies Act, 1956.

### **ACKNOWLEDGEMENT**

Your Board records its sincere appreciation for the valuable support extended by the Company's Bankers, Financial Institutions and the Government Agencies. Your Board also wishes to thank all its customers and all those associated with the Company. Your Board further conveys cordial thanks to all the employees for their sincere works and takes this opportunity to thank Shareholders for their continued confidence reposed in the Management of the Company.

Kolkata  
Date: 31<sup>ST</sup> May 2012

For and on behalf of the Board  
Mrs. Keya Saraswati  
Director



**REPORT ON CORPORATE GOVERNANCE**

**A. MANDATORY REQUIREMENTS**

**1. Company's philosophy on code of Governance**

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company to create and adhere to a Corporate culture of conscience and consciousness in the efficient conduct of its business and to continuously strive to attain high levels of accountability transparency, responsibility, capabilities & fairness in all aspects of its operations. Your Company with a view to achieve these objectives, adopted corporate strategies, prudent business plans and monitoring of performance and to set high standards of corporate , towards its employees, stakeholders, conduct and society.

Clause 49 of the Listing Agreement with Stock Exchanges sets up norms and disclosures that are to be met by the Company on Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause vide this report.

**2. Board of Directors**

The present strength of board is 4 Directors. The Board comprises of Executive Director and Non-Executive Directors. The Board meets the requirement of not less than 50% being non-executive Directors.

During the year under review 7 (seven) Board meetings were held. on 31st May, 2011; 30th July, 2011; 27th August 2011; 22nd September 2011; 31st October, 2011; 31st January, 2012 and 31st March, 2012.

The Composition of Directors and their attendance at the Board Meeting during the year and the last Annual General Meeting as also number of other directorships, committee memberships and chairmanships held by them are given below:

Directors	Category	Attendance		No. of other Directorship and Committee Membership/ Chairmanship held	
		Board Meeting	Last AGM	No. of Other Directorship	No. of Committee Chairmanship
Mr. S.K. Bhansali *	Chairman	3	YES	5	2
Mrs. K. Saraswati	Executive Director	5	YES	4	-
Mr. Ajit Kr. Baid *	Non-Executive,Independent	2	YES	-	-
Mr. S.M. Gunecha	Non-Executive,Independent	5	YES	-	-
Mr. Sumit Bhansali *	Executive Director	2	NO	4	-
Mr. Nilesh Chopra *	Non-Executive,Independent	3	NO	-	-

Notes:

Mr. Nilesh Chopra appointed on 27/08/2011

Mr. Ajit Kr. Baid ceased as director on 27/08/2011

Mr. S.K.Bhansali ceased as director on 22/09/2011

Mr. Sumit Bhansali appointed on 22/09/2011

The Directorship held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49, Membership/ Chairmanships of only the Audit Committee and Shareholders/ Investors Grievance Committees of all public limited companies have been considered.

None of the Non-Executive directors have any pecuniary relationship or transactions with the company other than for holding directorship and receiving sitting fees.

**3. Audit Committee**

Terms of reference of the Audit Committee are as per section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) that inter alia include a review of financial reporting process, draft financial statements and Auditor's Report (before submission to the board), accounting policies and practices internal controls and internal Audit Systems, risk management policies and practices, related party transactions, internal audit reports and adequacy of internal audit function.



## JAINCO PROJECTS (INDIA) LTD.

The role of the audit committee includes recommending the appointment and removal of external auditor, discussion of audit plan, fixation of audit fees and also approval for payment of any other services.

The Audit committee had four meetings during the year 2011-2012. The composition of audit committee and attendance of its meetings is given hereunder:-

Member	Position	No. of meetings	
		Held	Attended
Mr. S.M. Gunecha	Member	4	3
Ms. K. Saraswati	Member	4	4
Mr. Nilesh Chopra	Chairman	2	2

Mr. Nilesh Chopra, chairman of Audit Committee, is an MBA has expertise in the field of taxation, Accounting and Corporate laws.

#### 4. Remuneration to Directors

Details of remuneration paid to Directors during the year 2011-12 are given below:

Director	Remuneration Package (Rs...)	Fixed Component and Incentives (Rs...)
Mrs. Keya Saraswati	6,21,360/-	NIL

#### 5. Investors'/Shareholders Grievance Committee:

The terms of reference of the Committee are to look into redressal of Shareholders'/Investor's Complaints relating to non-receipt of notices, share certificates, annual reports, dividends, transfer of shares, dematerialization of shares and other grievances. The composition of Investors/Shareholders Grievance committee and attendance at its meeting is given hereunder:-

Member	Position	No. of meetings	
		Held	Attended
Ms. K. Saraswati	Chairman	4	4
Mr. Ajit Kumar Baid	Member	2	2
Mr. S.M. Gunecha	Member	4	3
Mr. Nilesh Chopra	Member	2	2

Details of Complaints received from Shareholders'/Investors is as follows:

Pending at the beginning of the year	-	Nil
Received during the year	-	04
Redressed/Replied during the year	-	04
Pending at the yearend	-	Nil

#### 6. General Body Meetings:

Location and time of last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2010-11	Sep'30, 2011	10.30 AM	Smriti Charitable Medical Centre, C/o, Kaushik Majumder & Paramesh Banerjee, 81, K.P.Roy Lane, Haltu, Kolkata - 700078.
2009-10	Sep'30, 2010	10.00 AM	Smriti Charitable Medical Centre, C/o, Kaushik Majumder & Paramesh Banerjee, 81, K.P.Roy Lane, Haltu, Kolkata - 700078.
2008-09	Sep'24, 2009	10.00 AM	Shyamal Smriti Parisad, 30, Dr. Nagen Ghosh Lane, Dhakuria, Kolkata-700031

No resolution was required to be put through postal ballot last year.



**7. Disclosures**

Disclosure on materially significant related party transactions i.e. , transactions of the company of material nature with its promoters, the Directors or the management, their subsidiaries relatives, etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company at large.

**8. Means of Communication**

(I)The Half-yearly results are published in the newspapers having wide circulation and not sent to the Shareholders.

(II) The Quarterly ,half-yearly and annual results are normally published in Echo of India -Kolkata Edition and Arthic Lipi-Kolkata Edition.

**9. General Shareholder Information**

**(i) 21st Annual General Meeting**

Date and Time : 29th September, 2012 at 10.30 a.m.  
 Venue : Smriti Charitable Medical Centre,  
 C/o.Kaushik Majumder & Paramesh Banerjee  
 81 , K.P.Roy Lane, Haltu, Kolkata - 700078

(ii) Financial Year : 1st April to 31st March. (2011-12)

(iii)Financial Calendar (tentative) : April – March (2012-2013)

Annual Results of previous year (audited) : 31st May 2012

First Quarter Results (2012-13) : Last Week of July, 2012

Annual General Meeting for the Financial Year ended on 31st March, 2012 : 29th Sept., 2012

Second Quarter /Half yearly Results (12-13) : Last Week of Oct., 2012

Third Quarter Results (2011-12) : Last Week of Jan., 2012

(iv)Date of Book Closure : 23<sup>rd</sup> Sept., 2012 to 29th Sept., 2012 (both days inclusive)

(v) Dividend Payment : In view of the nominal profit incurred during the year under review, the Board of Directors did not recommend any dividend.

**(vi)Listing on Stock Exchanges and Stock Code**

Equity Shares are listed at  
 The Calcutta Stock Exchange Ltd., Kolkata 020031  
 The Bombay Stock Exchange Limited, Mumbai 526865

**Share Transfer System**

All shares are transferred within a period of 21 days from the date of receipt, so long as documents are found in order.

**Market Price Data:**

High/Low of Market price of Company's share traded on Bombay Stock Exchange during each month in the last financial year 2011-12

Month	High (Rs)	Low (Rs)	Closing(Rs)
April, 2011	2.95	2.25	2.58
May, 2011	2.97	2.46	2.94
June, 2011	5.44	3.08	4.67
July, 2011	4.58	3.88	4.36
August, 2010	4.50	3.93	3.93
September, 2011	4.40	3.63	3.63
October, 2011	5.00	3.81	4.90
November, 2011	5.44	4.33	4.33
December, 2011	4.50	4.19	4.39
January, 2012	4.68	3.12	3.12
February, 2012	3.58	2.80	3.36
March, 2012	3.75	3.08	3.08





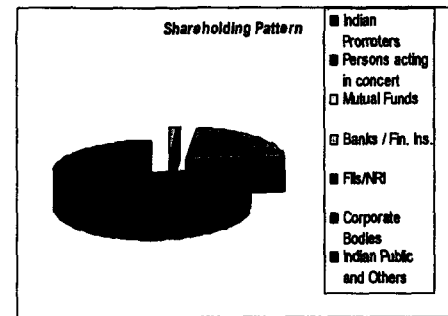
## JAINCO PROJECTS (INDIA) LTD.

### I) Distribution of Shareholding as on 31st March, 2012

Slab of Shareholdings Number of shares	Shareholders Number	% of total Number	Share holders	
			No. of Shares	% of total Nos.
1 - 500	3157	75.220	796227	19.91
501 - 1000	530	12.628	459399	11.48
1001 - 2000	236	5.623	377376	9.43
2001 - 3000	77	1.835	197928	4.95
3001 - 4000	38	0.905	140077	3.50
4001 - 5000	42	1.001	200508	5.01
5001 - 10000	60	1.430	469443	11.74
10001 - 50000	55	1.310	1239542	30.99
50001 - 100000	2	0.048	119500	2.99
100001 and above	0	0	-	0.00
<b>TOTAL</b>	<b>4200</b>	<b>100</b>	<b>4000000</b>	<b>100.00</b>

### II) Share holding pattern as on 31st March, 2012

Category	No. of Shares	% of Shares
Indian Promoters	327972	8.20
Persons acting in concert	NIL	0
Mutual Funds	NIL	0
Banks / Fin. Ins.	13600	0.34
FII/NRI	NIL	0
Corporate Bodies	579387	14.49
Indian Public and Others	3079041	76.97
<b>TOTAL</b>	<b>4000000</b>	<b>100</b>



#### Dematerializations of Shares:

The Shares of the Company are compulsorily traded in dematerialised form under depository systems of both the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. (CSDL). Requests for dematerialization of shares are processed and confirmation is given to the respective Depositories Code No. allotted by NSDL & CDSL. The ISIN for the Company's Shares in Demat Form is INE 966C01010.

As on 31st March 2012, 49.17% of the share capital of the Company representing 1966830 equity shares was held in dematerialized form and the balance 50.83% representing 2033170 equity shares were held in physical form.

Address for correspondence for share and related services.

Any assistance regarding share transfers and transmission, change of address, non-receipt of share certificate/duplicate Share Certificate, demat and other matters and for redressal of all Share related complaints and grievances, the members are requested to write to or contact the registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their Shareholding in the Company at the address given below:

(I) Company's Registered Office at

: JAINCO PROJECTS (INDIA) LTD.  
2, Clive Ghat Street, 4th Floor, Room No. 4 A,  
Kolkata-700 001  
TEL: 033 22298606 ;  
E-MAIL: jaincocal@gmail.com

(II) Registrar and Share Transfer Agent's at

: R & D INFOTECH PVT.LTD  
22/4, Nakuleshwar Bhattacharjee Lane,  
Kolkata-700 026  
TEL: 91(33) 24631657/58 ;  
E-MAIL: investors@rdinfotech.in

Kolkata  
Date: 31<sup>st</sup> May 2012

For and on behalf of the Board  
Mrs. K. Saraswati  
Director



**JAINCO PROJECTS (INDIA) LTD.**

**DECLARATION ON CODE OF CONDUCT**

I hereby confirm and declare that all the Directors of the company and all Senior Management personnel as defined in the Code of Conduct of the Company have submitted annual declarations confirming their compliance of the same during the financial year ended on 31st March, 2012.

Kolkata  
Date: 31<sup>ST</sup> May 2012

Mrs. K. Saraswati  
Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)**

**TO THE MEMBERS OF JAINCO PROJECTS (INDIA) LIMITED**

We have reviewed the implementation of Corporate Governance procedures by JAINCO PROJECTS (INDIA) LIMITED during the year ended on 31st March 2012, with the relevant records and documents maintained by the Company, furnished to us for our review and we have examined the compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreements) of the Company with the Stock Exchange(s).

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Investors/Shareholders Grievance Committee.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation 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. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency with which the management has conducted the affairs of the Company.

On the basis of our review and in our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the Listing Agreement (s) with the stock exchange (s).

**For SARKAR GURUMURTHY & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Place: Kolkata  
Date: 31<sup>ST</sup> May 2012

**PARIMAL SARKAR  
(PARTNER)  
M.NO. - 051550**



## JAINCO PROJECTS (INDIA) LTD.

### AUDITOR'S REPORT

TO  
THE MEMBERS OF M/S JAINCO PROJECTS (INDIA) LIMITED

We have audited the attached Balance Sheet of JAINCO PROJECTS (INDIA) LTD. as at 31st March, 2012 and also the Profit and Loss Account and 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.

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 a significant estimate made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above:
  - a. We have obtained all the information and explanations, which to the best of our knowledge & belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the 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.
  - e. On the basis of the written representations received from Directors as on 31st March 2012 and taken on record by the Board of Directors of the Company, none of the Director is disqualified as on 31st March 2012 from being appointed as Directors none of the appointed as Directors in terms of clause (g) of sub-section (1) of Sec. 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - ii) In the case of the Profit & Loss Account, the Profit of the Company for the year ended on that date; and
    - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For SARKAR GURUMURTHY & ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: Kolkata  
Date: 31<sup>ST</sup> May 2012

PARIMAL SARKAR  
(PARTNER)  
M.NO. - 051550



**ANNEXURE TO THE AUDITOR'S REPORT**  
(Refer to paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. As explained to us the fixed assets have been physically verified by the management during the year in a phased / Periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
3. During the year, Company has not disposed of any substantial/major part of fixed asset, so the question of going concern status being affected does not arise.
4. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
5. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. As explained to us there were no materials discrepancies noticed on Physical verification of inventory as compared to the book records.
7. According to the information and explanations given to us, the Company has not taken any loan from or granted any loan to the parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
8. According to the information and explanations given to us, parties to whom loans and advances in the nature of loans have been given, where stipulations are made, are repaying the principal amount as stipulated.
9. According to the information and explanations given to us, there is no overdue amount of loans granted to the parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
10. 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 nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal Controls.
11. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained in pursuance of Section 301 have been so entered.
12. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices, which are reasonable having a regard to the relevant market prices at the relevant time.
13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within provisions of Section 58A and 58AA of the- Companies Act, 1956 and rules there under. Therefore, the provisions of clause (vi) paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.



## JAINCO PROJECTS (INDIA) LTD.

15. We have broadly reviewed the books of account maintained by the Company .As explained to us the maintenance of cost records under Section 209(1 )(d) of the Companies Act, 1956, are not prescribed by the Central government.
16. According to the records of the Company and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth-Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities during the year.
17. The Company has not incurred cash losses during current and the immediately preceding financial year.
18. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
19. According to the information and explanations given to us. the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
20. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
21. Based on our audit procedures and to the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper record of the transactions and contracts of dealing in shares and securities and that timely entries have been made in these records.
22. Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the Company in its own name, except to the exemption, if any granted under section 49 of the Act.
23. 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 investment by the Company and vice-versa on short-term basis have been used for long-term investment by the Company and vice versa.
24. The Company has not made any preferential allotment to parties and companies covered under register maintained Under Section 301 of the Companies, 1956, during the year and question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise
25. According to the information and explanations given to us, and the records examined by us, the Company has not issued any debentures hence no question of creation of securities.
26. The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
27. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For SARKAR GURUMURTHY & ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: Kolkata  
Date: 31<sup>ST</sup> May 2012

PARIMAL SARKAR  
(PARTNER)  
M.NO. - 051550



**JAINCO PROJECTS (INDIA) LTD.**

Balance Sheet as at 31st March 2012

(Rs. in '000)

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHARE HOLDERS FUNDS</b>			
(a) Share Capital	1	40,000.00	40,000.00
(b) Reserves and Surplus	2	1,662.31	841.22
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	3	320.14	-
(b) Other Long term liabilities	4	54,133.84	58,194.35
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-term borrowings	5	35,662.79	12,098.70
(b) Trade payables		47,072.51	107,635.37
(c) Short-term provisions	6	737.03	1,004.30
<b>TOTAL</b>		<b>179,588.62</b>	<b>219,773.94</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	7	1,263.80	885.18
(b) Non current investment	8	24,974.38	24,974.38
(c) Deferred tax assets (net)	22.3	1,168.27	1,154.73
<b>(2) CURRENT ASSETS</b>			
(a) Inventories		7,387.84	7,284.90
(b) Trade receivables	9	87,719.43	123,528.66
(c) Cash and cash equivalents	10	2,590.09	3,006.93
(d) Short-term loans and advances	11	54,126.88	58,713.11
(e) Other current assets	12	357.93	226.05
<b>TOTAL</b>		<b>179,588.62</b>	<b>219,773.94</b>
Significant Accounting Policies	20		
Other Notes on Financial Statements	21-23		
As per our report of even date For Sarkar Gurumurthy & Associates Chartered Accountants (Registration No. 314062E)		For and behalf of the Board <u>Jainco Projects (India) Ltd</u>	
Parimal Sarkar Partner Membership No. : 051550 Place : Kolkata Date : May 31, 2012	K.Saraswati Director	N.Chopra Director	



**JAINCO PROJECTS (INDIA) LTD.**

**Profit and Loss Statement for the year ended 31st March 2012**

(Rs. in '000)

Particulars	Note No	As at 31-03-12	As at 31-03-2011
<b>I. Revenue from operations</b>	13	310,263.81	379,846.52
<b>II. Other Income</b>	14	1,318.22	1,763.62
<b>III. Total Revenue (I +II)</b>		<b>311,582.03</b>	<b>381,610.14</b>
<b>Expenses:</b>			
Cost of materials consumed		304,870.11	377,939.29
Change in inventories of stock-in-trade	15	(102.97)	(1,126.01)
Employees benefits expenses	16	1,161.14	1,132.80
Financial costs	17	3,207.92	1,736.90
Depreciation and amortization expense		132.23	61.97
Other expenses	18	663.69	729.40
<b>IV. Total Expenses</b>		<b>309,932.12</b>	<b>380,474.35</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		1,649.91	1,135.79
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		1,649.91	1,135.79
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>1,649.91</b>	<b>1,135.79</b>
<b>X. Tax expense:</b>			
(a) Current tax expense for current year		510.00	346.82
(b) Current tax expense relating to prior years		332.36	-
(c) Deferred tax		(13.54)	(14.80)
		828.82	332.02
<b>XI. Profit(Loss) from the period from continuing operations (IX-X)</b>		<b>821.09</b>	<b>803.77</b>
<b>XII. Profit/(Loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discounting operations</b>		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)</b>		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>821.09</b>	<b>803.77</b>
<b>XVI. Earning per equity share:</b>			
(1) Basic		0.21	0.20
(2) Diluted		0.21	0.20
Significant Accounting Policies	20		
Other Notes on Financial Statements	21-23		

As per our report of even date  
For Sarkar Gurumurthy & Associates  
Chartered Accountants  
(Registration No. 314062E)

For and behalf of the Board  
**Jainco Projects (India) Ltd**

Parimal Sarkar  
Partner  
Membership No. : 051550  
Place : Kolkata  
Date : May 31, 2012

K.Saraswati  
Director

N.Chopra  
Director



## JAINCO PROJECTS (INDIA) LTD.

Cash Flow Statement for the year ended 31st March 2012

(Rs. in '000)

Particulars	As at 31-03-2012		As at 31-03-2011	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	1649.91		1135.79	
<i>Adjustments for:</i>				
Depreciation and amortisation	132.23		61.97	
Interest income	(1303.92)		(1149.10)	
Dividend income	(12.89)		(16.56)	
Interest charged to P/L A/c	3,207.92		1736.90	
(Profit) / loss on sale / write off of assets	-		(44.72)	
<b>Operating profit / (loss) before working capital changes</b>		3673.25		1724.28
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(102.94)		(1126.01)	
Trade receivables	35809.23		3460.00	
Short-term loans and advances	3447.16		(14971.29)	
Other current assets	(131.88)		(226.05)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(60562.86)		(40212.85)	
Other long-term liabilities	(4060.51)		56657.58	
Short-term provisions	104.81		-	
<b>Cash generated from operations</b>		(25496.99)		3581.38
Net income tax (paid) / refunds		(21823.74)		5305.66
		(75.37)		(370.93)
<b>Net cash flow from / (used in) operating activities (A)</b>		(21899.11)		4934.73
<b>B. Cash flow from investing activities</b>				
Addition to fixed assets	(510.85)		200.83	
Purchase of long-term investments				
- Others	-		(4649.78)	
Interest received				
- Others	1303.92		1149.10	
Dividend received				
- Others	12.89		16.56	
<b>Net cash flow from investing activities (B)</b>		805.96		(3283.29)
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	320.14		-	
Net increase / (decrease) in working capital borrowings	2883.43		820.44	
Proceeds from other short-term borrowings	20680.66		-	
Finance cost	(3207.92)		(1736.90)	
<b>Net cash flow from / (used in) financing activities (C)</b>		20676.31		(916.46)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		(416.84)		734.98
Cash and cash equivalents at the beginning of the year		3006.93		2271.95
<b>Cash and cash equivalents at the end of the year</b>		2590.09		3006.93
As per our report of even date				
For Sarkar Gurumurthy & Associates		For and behalf of the Board		
Chartered Accountants		Jainco Projects (India) Ltd		
(Registration No. 314062E)				
<b>Parimal Sarkar</b>	<b>K.Saraswati</b>	<b>N.Chopra</b>		
Partner	Director	Director		
Membership No. : 051550				
Place : Kolkata				
Date : May 31, 2012				





Notes forming part of the financial statements

**NOTE 1 - SHARE CAPITAL**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
<b>Authorised</b>		
50,00,000 Equity Shares of Rs. 10/- Each	50,000.00	50,000.00
<b>Total</b>	<b>50,000.00</b>	<b>50,000.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up</b>		
40,00,000 Equity Shares of Rs 10/- Each	40,000.00	40,000.00
<b>Total</b>	<b>40,000.00</b>	<b>40,000.00</b>

**NOTE 2 - RESERVE & SURPLUS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
<b>Profit and Loss Account</b>		
Opening Balance	841.22	37.45
Add: Profit for the year	821.09	803.77
<b>Total</b>	<b>1,662.31</b>	<b>841.22</b>

**NOTE 3 - LONG TERM BORROWINGS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
<b>Term Loans</b>		
from banks		
Secured	320.14	-
<b>Total</b>	<b>320.14</b>	<b>-</b>

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Outstanding Balance	As at 31 March, 2012
<b>Term loans from banks:</b>		
HDFC Bank Ltd. - Secured by way of Hypothecation of Car financed	25 EMI of Rs.14425 incld. int.	320.14
<b>Total - Term loans from banks</b>		<b>320.14</b>



**NOTE 4 - OTHER LONG-TERM LIABILITIES**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
(i) Trade / security deposits received	54,107.00	56,976.98
(ii) Advances from customers	26.84	1,217.37
<b>Total</b>	<b>54,133.84</b>	<b>58,194.35</b>

**NOTE 5 - SHORT TERM BORROWINGS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
(i) <u>Secured</u> Loans repayable on demand from banks	14,982.13	12,098.70
(ii) <u>Unsecured</u> Loans repayable on demand from other parties	20,680.66	-
<b>Total</b>	<b>35,662.79</b>	<b>12,098.70</b>

**Notes:**

(i) Details of security for the secured short-term borrowings:

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
<u>Loans repayable on demand from banks:</u>		
UCO Bank - (Secured by charge over present and future current assets)	14,982.13	12,098.70
<b>Total - from banks</b>	<b>14,982.13</b>	<b>12,098.70</b>

**NOTE 6 - SHORT TERM PROVISIONS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
(i) Provision for employee benefits	2.31	21.46
(ii) Others		
ESI payable	1.38	1.18
Sale Tax Payable	141.83	90.12
TDS Payable	78.99	6.93
Professional Tax Payable	0.30	0.30
Provident Fund Payable	2.22	2.23
Provision for Taxation	510.00	882.08
<b>Total</b>	<b>737.03</b>	<b>1,004.30</b>



## JAINCO PROJECTS (INDIA) LTD.

Notes forming part of the financial statements

### NOTE 7 - FIXED ASSETS

Particulars of Depreciation as per Company Act 1956

(Rs. in '000)

Fixed Assets	Gross Block			Depreciation			Net Block	
	As at 01.04.2011	Additions/ (Disposals)	As at 31.03.2012	As at 01.04.2011	For the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>								
A. Plant , Machinery and Equipment	119.24	-	119.24	99.75	2.79	102.54	16.70	19.49
B. Furniture and Fixtures	40.17	-	40.17	37.53	0.48	38.01	2.16	2.64
C. Vehicles & Motor car	-	510.85	510.85	-	122.48	122.48	388.37	-
D. Office Equipments - Mobile & Pc	321.81	-	321.81	289.16	6.48	295.64	26.17	32.65
E. Other Equipments	991.64	-	991.64	161.24	-	161.24	830.40	830.40
<b>Total</b>	<b>1,472.86</b>	<b>510.85</b>	<b>1,983.71</b>	<b>587.68</b>	<b>132.23</b>	<b>719.91</b>	<b>1,263.80</b>	<b>885.18</b>

Note:

The company has negligible amount of Softwares (Intangible Fixed Assets) and thus the same has been clubbed with Office Equipment - Mobile & PC

### NOTE 8 - NON-CURRENT INVESTMENT

(Rs. in '000)

Particulars	As at 31-03-12			As at 31-03-11		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
(a) Investment In equity instruments						
(i) of other entities	5,656.60	11,788.00	17,444.60	5,656.60	11,788.00	17,444.60
(b) Other non-current investments (At cost)						
(i) Investment in Agriculture Land			7,529.78			7,529.78
<b>Total - Trade (A)</b>	<b>5,656.60</b>	<b>11,788.00</b>	<b>24,974.38</b>	<b>5,656.60</b>	<b>11,788.00</b>	<b>24,974.38</b>

Name of company	Quantity	F.V.	As at 31-03-12	As at 31-03-11
<b>Quoted</b>				
Eastern Gases Limited	565400	10	5,654.00	5,654.00
Pal Peougot Ltd.	1000	10	2.60	2.60
<b>Unquoted</b>				
Jainco Business Centre Pvt. Ltd.	18000	10	180.00	180.00
Sagar Spinning Mills	41880	100	4,188.00	4,188.00
Varun Tradelink Pvt. Ltd.	270000	10	1,300.00	1,300.00
Narottam Investment & Trading Co. Ltd.	20000	10	200.00	200.00
Pooja Threads Pvt. Ltd.	70000	10	500.00	500.00
B T Investment Pvt. Ltd.	6500	10	975.00	975.00
Facitcon Investments Pvt. Ltd.	2800	10	420.00	420.00
E T Resources Pvt. Ltd.	7250	10	1,450.00	1,450.00
Madhumati Capital Pvt. Ltd.	177500	10	1,775.00	1,775.00
S.G. Ceremics Pvt. Ltd.	20000	10	200.00	200.00
P.G. Services Holding Pvt. Ltd.	14000	10	600.00	600.00
<b>Total</b>			<b>17,444.60</b>	<b>17,444.60</b>

(Market Value of Quoted Investment as on 31st March 2012 is Rs. 9,442,180.00 )



**JAINCO PROJECTS (INDIA) LTD.**

Notes forming part of the financial statements

**NOTE 9 - TRADE RECEIVABLES**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	72219.02	94066.92
Total	72219.02	94066.92
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	14055.15	25445.93
Unsecured, considered doubtful	1445.26	4015.81
Total	15500.41	29461.74
<b>Total</b>	<b>87719.43</b>	<b>123528.66</b>

**NOTE 10 - CASH AND CASH EQUIVALENTS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
(a) Balances with banks		
(i) In earmarked accounts		
- Balances held as margin money or security against borrowings	1795.00	1,795.00
(b) Cash on hand	795.09	1,211.93
<b>Total</b>	<b>2,590.09</b>	<b>3,006.93</b>

**NOTE 11 - SHORT TERM LOAN AND ADVANCES**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
(a) Security deposits		
Unsecured, considered good	-	300.00
(b) Balances with government authorities		
(i) TDS	1029.15	1099.28
(ii) Advance IT	362.56	1431.50
(iii) with other departments	3.67	3.42
(c) Advances receivable in cash or in kind or for value to be received		
(i) Unsecured, considered good	50748.87	53896.29
(ii) Unsecured, considered doubtful	1,982.63	1982.62
<b>Total</b>	<b>54126.88</b>	<b>58713.11</b>

**NOTE 12 - OTHER CURRENT ASSETS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
(a) Accruals		
(i) Interest accrued on deposits	357.93	226.05
<b>Total</b>	<b>357.93</b>	<b>226.05</b>



**JAINCO PROJECTS (INDIA) LTD.**

Notes forming part of the financial statements

**NOTE 13 - REVENUE FROM OPERATIONS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
Gross Sales	310,263.81	379,846.52
Less: Taxes	-	-
Excise duty	-	-
Sales tax	-	-
Net sales	310,263.81	379,846.52
<b>Total</b>	<b>310,263.81</b>	<b>379,846.52</b>

**NOTE 14 - OTHER INCOME**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
Interest Received	1,303.92	1,428.84
Dividend	12.89	16.56
Other Misc. Income	1.41	273.50
Profit on Sale of Fixed Asset	-	44.72
<b>Total</b>	<b>1,318.22</b>	<b>1,763.62</b>

**NOTE 15 - CHANGES IN INVENTORIES OF STOCK-IN-TRADE**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
<u>Inventories at the end of the year:</u>		
Shares	7,186.73	7,083.76
LPG	201.14	201.14
	7,387.87	7,284.90
<u>Inventories at the beginning of the year:</u>		
Shares	7,083.76	5,976.67
LPG	201.14	182.22
	7,284.90	6,158.89
<b>Net (increase) / decrease</b>	<b>(102.97)</b>	<b>(1,126.01)</b>

**NOTE 16 - EMPLOYEE BENEFITS EXPENSES**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
Salaries and wages		
(i) Employees Salaries & wages	485.55	518.56
(ii) Salary to director	621.36	549.36
Contributions to		
(i) Provident Fund	26.63	27.45
(ii) Gratuity	7.75	19.30
(iii) Medical Insurance	14.31	13.34
Staff welfare expenses	5.54	4.79
<b>Total</b>	<b>1,161.14</b>	<b>1,132.80</b>



JAINCO PROJECTS (INDIA) LTD.

Notes forming part of the financial statements

**NOTE 17 - FINANCE COSTS**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
<u>Interest expense</u>		
Interest on car loan	39.82	4.41
Interest on Loan	3,107.60	1,644.74
Interest on VAT	1.97	-
Interest on IT / TDS	20.97	-
<u>Other borrowing costs</u>		
Bank Charges	37.56	87.75
<b>Total</b>	<b>3,207.92</b>	<b>1,736.90</b>

**NOTE 18 - OTHER EXPENSES**

(Rs. in '000)

Particulars	As at 31-03-12	As at 31-03-11
Advertisement	7.03	15.54
Audit Fees	10.76	11.76
Conveyance	3.65	5.55
Donation	1.20	5.00
Entertainment	-	0.01
Insurance	84.44	63.54
<u>Misc.Exp</u>		
a. Printing & Stationary	3.80	85.93
b. Legal & Professional Charges/Fees	116.81	50.26
c. Packing Mat.	0.45	-
d. Security Expenses	71.09	58.28
e. General & Other Expenses	50.05	96.95
<u>Power &amp; Fuel</u>		
a. Car Running	35.37	68.20
<u>Rates &amp; Taxes, excluding taxes on income</u>		
a. ROC	3.50	1.53
b. Any other Govt. Taxes	4.45	11.49
<u>Rent</u>		
Leave & Licence Charges	174.00	240.00
Repairs to machinery	88.44	2.48
Telephone	4.34	7.33
Travelling Expenses incl. foreign travelling	4.31	5.55
<b>Total</b>	<b>663.69</b>	<b>729.40</b>



Notes forming part of the financial statements

Note	Particulars
<b>19</b>	<b>Corporate information</b>
	The Company is to engage in the business of and investors in real estate, to act as builders, promoters, developers and contractors for self and for other lands, buildings and building sites and also purchase and sales of building materials.
<b>20</b>	<b>Significant Accounting Policies</b>
	"The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company."
<b>20.1</b>	<b>Basis of accounting and preparation of financial statements</b>
	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.
<b>20.2</b>	<b>Use of estimates</b>
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>20.3</b>	<b>Inventories</b>
	Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
<b>20.4</b>	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b>
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount
<b>20.5</b>	<b>Cash flow statement</b>
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
<b>20.6</b>	<b>Depreciation and amortisation</b>
	Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under No Depreciation has been provided on Printing Cylinder as no income has been generated from the said asset. Assets costing less than 5,000 each are fully depreciated in the year of capitalisation.



Notes forming part of the financial statements

Note 20 Significant accounting policies (contd.)

Note	Particulars
<b>20.7</b>	<b>Revenue recognition</b>
	<b>Sale of goods</b> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales excludes excise duty, sales tax and value added tax.
<b>20.8</b>	<b>Other income</b>
	Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
<b>20.9</b>	<b>Tangible fixed assets</b>
	Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
<b>20.10</b>	<b>Employee benefits</b>
	Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and medical benefits.  <u>Defined contribution plans</u> The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.  <u>Defined benefit plans</u> For defined benefit plans in the form of gratuity fund the company has made arrangement with Life Insurance Corporation of India.
<b>20.11</b>	<b>Borrowing costs</b>
	Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.
<b>20.12</b>	<b>Segment reporting</b>
	The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. Being Primarily the trading nature of business hence company don't prepare segment reporting





## JAINCO PROJECTS (INDIA) LTD.

### Notes forming part of the financial statements

#### Note 20 Significant accounting policies (contd.)

Note	Particulars
<b>20.13</b>	<b>Earnings per share</b>
	Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is same as company has no dilutive potential equity shares.
<b>20.14</b>	<b>Taxes on income</b>
	Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.  Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.  Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.
<b>20.15</b>	<b>Impairment of assets</b>
	The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.
<b>20.16</b>	<b>Provisions and contingencies</b>
	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
<b>20.17</b>	<b>Balances</b>
	Balances of Sundry Debtors, Unsecured Loan & Advances and Sundry Creditors are subject to the confirmation and reconciliation.
<b>20.18</b>	<b>Other Notes</b>
	1. The Company did not employ any person during the year with a salary of Rs. 500000/- P.M. Or Rs 6000000/- P.A. and as such information required u/s 217 (2A) of the Companies Act, 1956 ready with Companies (Particular of the 2. The deposit shown in the Balance Sheet is the trade deposit which will not attract the provisions of Section 58A of the Companies Act, 1956.



## JAINCO PROJECTS (INDIA) LTD.

### Notes forming part of the financial statements

#### Note 21 Additional information to the financial statements

Note	Particulars
21.1	Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 There has been no dues to Micro and Small Enterprises which have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
21.2	Sundry Debtors includes Rs. 13,04,000/-, considered doubtful of recovery, due from Xedd Finance & Investment (P) Ltd., against which the company has filed suit for recovery.
21.3	No provisions ha been made in the accounts for the followings: a) The company has given printing Cylinders to M/s Business Forms Ltd., which has gone into liquidation, the Company has filed the suit for recovery of arrear lease rent along with lease asset in the Calcutta High Court and accordingly a claim has been filed with the official liquidator appointed by the Calcutta High Court and awaiting the result. b) Advances include Rs. 9,71,668/- due from Xedd Telecom Ltd. The company has filed a case for recovery of said advances, matter is subjudice and the same is pending with the Calcutta Metropolitan Magistrate awaiting for decision. Necessary effects of the same will be given in the accounts on settlement of the case.
21.4	No Provision has been made for amount of Rs. 10,10,955/- due from Daga Fibres and Synthetics Ltd. and the same is considered as doubtful recovery. The company has also stopeed provisioning interest on loan given to them since recovery of principle is even doubtful.

#### Note 22 Disclosures under Accounting Standards

Note	Particulars															
22.1	<b>Related party transactions</b>															
	<table border="1"> <thead> <tr> <th>Description of relationship</th> <th>Name</th> <th>Details of transaction</th> <th>Amount-Rs in '000</th> </tr> </thead> <tbody> <tr> <td>Director</td> <td>Mrs. K.Saraswati</td> <td>Remuneration</td> <td>621.36 (P.Y.Rs. 549.36)</td> </tr> </tbody> </table>	Description of relationship	Name	Details of transaction	Amount-Rs in '000	Director	Mrs. K.Saraswati	Remuneration	621.36 (P.Y.Rs. 549.36)							
Description of relationship	Name	Details of transaction	Amount-Rs in '000													
Director	Mrs. K.Saraswati	Remuneration	621.36 (P.Y.Rs. 549.36)													
	<b>Note: Related parties have been identified by the Management.</b>															
22.2	<b>Earnings per share</b>															
	<table border="1"> <thead> <tr> <th></th> <th>For the year ended 31/03/2012</th> <th>For the year ended 31/03/2011</th> </tr> </thead> <tbody> <tr> <td>Profit for the year (after tax)</td> <td>Rs.821090</td> <td>Rs.803770</td> </tr> <tr> <td>Weighted average number of equity shares</td> <td>4,000,000</td> <td>4,000,000</td> </tr> <tr> <td>Face value per share</td> <td>Rs.10</td> <td>Rs.10</td> </tr> <tr> <td>Basic/Diluted Earnings per share</td> <td>0.21</td> <td>0.20</td> </tr> </tbody> </table>		For the year ended 31/03/2012	For the year ended 31/03/2011	Profit for the year (after tax)	Rs.821090	Rs.803770	Weighted average number of equity shares	4,000,000	4,000,000	Face value per share	Rs.10	Rs.10	Basic/Diluted Earnings per share	0.21	0.20
	For the year ended 31/03/2012	For the year ended 31/03/2011														
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22.3	<b>Deferred Tax Asset</b>															
	<table border="1"> <thead> <tr> <th></th> <th>Amount in Rs. '000</th> <th>Amount in Rs. '000</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td>1,154.73</td> <td>1,139.93</td> </tr> <tr> <td>Originating during the year</td> <td>13.54</td> <td>14.80</td> </tr> <tr> <td><b>Net deferred tax asset</b></td> <td><b>1,168.27</b></td> <td><b>1,154.73</b></td> </tr> </tbody> </table>		Amount in Rs. '000	Amount in Rs. '000	Opening Balance	1,154.73	1,139.93	Originating during the year	13.54	14.80	<b>Net deferred tax asset</b>	<b>1,168.27</b>	<b>1,154.73</b>			
	Amount in Rs. '000	Amount in Rs. '000														
Opening Balance	1,154.73	1,139.93														
Originating during the year	13.54	14.80														
<b>Net deferred tax asset</b>	<b>1,168.27</b>	<b>1,154.73</b>														
	The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the customer orders received by the Company.															

#### Note 23 Previous year's figures

Note	Particulars
23	The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date For Sarkar Gurumurthy & Associates Chartered Accountants (Registration No. 314062E)	For and behalf of the Board <b>Jainco Projects (India) Limited</b>		
Parimal Sarkar Partner Membership No. : 051550 Place : Kolkata Date : May 31, 2012	<table style="width: 100%;"> <tr> <td style="text-align: center;">K.Saraswati Director</td> <td style="text-align: center;">N.Chopra Director</td> </tr> </table>	K.Saraswati Director	N.Chopra Director
K.Saraswati Director	N.Chopra Director		



**JAINCO PROJECTS (INDIA) LTD.**

**Regd. Office : 2, Clive Ghat Street, 4<sup>th</sup> Floor, Room No. 4A, Kolkata - 700001**

**Attendance Slip**

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company at Smriti Charitable Medical Centre, 81, K.P.Roy Lane, Haltu, Kolkata - 700078 on Friday, the 29<sup>th</sup> day of September, 2012 at 10.30 am.

.....  
Full name of the Shareholder Signature  
(in block capitals)  
Folio No. .... /DP ID No.\* ..... &  
Client ID No.\* .....  
\* Applicable for members holding shares in electronic form.

.....  
Full name of Proxy Signature  
(in block capitals)  
NOTE : Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

**Jainco Projects (India) Limited**  
**Regd. Office : 2, Clive Ghat Street, 4<sup>th</sup> Floor, Room No. 4A, Kolkata - 700001**

**Proxy Form**

I/We ..... of ..... in the  
district of ..... being a Member/Members of the above named  
Company, hereby appoint ..... of  
..... in the district of  
..... or failing him  
..... of  
..... in the district of  
..... as

my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 29<sup>th</sup> SEPTEMBER, 2012 and at any adjournment thereof.

Signed this ..... day of ..... 2012.  
Folio No. .... /DP ID No.\* ..... & Client ID No.\* .....  
\* Applicable for members holding shares in electronic form.  
No. of Shares

**NOTES :**

- (i) The proxy must be returned so as to reach the Registered Office of the Company at 2, Clive Ghat Street, 4<sup>th</sup> Floor, room No. 4A, Kolkata - 700001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
- (ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy

If undelivered, please return to:  
**JAINCO PROJECTS (INDIA) LIMITED**  
2, CLIVE GHAT STREET  
4<sup>TH</sup> FLOOR, ROOM NO. 4A  
KOLKATA - 700001