

Whenever you see C●L●R, think of us

87th ANNUAL REPORT 2009-2010



Jenson and Nicholson (India) Ltd.

GL●BAL QUALITY IN EVERY CAN

Board of Directors

A.S. Varma	Chairman and Managing Director
V.S. Varma	
Ms. Vasantha Govindan	UTI Nominee
Gopal Ji	
N.M. Sahai	
B.S. Sahay	
Ranjit Singh	
Arun Ramanathan	Special Director of BIFR

Audit Committee

N.M. Sahai	Chairman
A.S. Varma	
V.S. Varma	
Gopal Ji	
B.S. Sahay	
Ranjit Singh	
Arun Ramanathan	

Remuneration Committee

N.M. Sahai	Chairman
A.S. Varma	
V.S. Varma	
Gopal Ji	

Investor Grievance Committee

N.M. Sahai	Chairman
A.S. Varma	
V.S. Varma	

Company Secretary

B. Bhattacharjee

Auditors

M. Mukerjee & Co.

Bankers

Allahabad Bank
State Bank of India
Standard Chartered Bank
Bank of India
Bank of Baroda
Canara Bank
Union Bank of India

C O N T E N T S

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Registrar & Share Transfer Agent

C.B. Management Services Pvt. Ltd.
P-22, Bondel Road,
Kolkata-700 019
Phone No. : 40116700/6728
Fax No. : 2287-0263

Registered Office

7B, Middleton Street
Kolkata-700 071
Phone : 2287-7042
Fax No. : 2283-5500

Corporate Office

Plot # 107, Udyog Vihar, Phase-IV,
Gurgaon-122 016, Haryana
Phone No. : 4567777 (30 lines)
Fax No. : 4567750

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Notice of Annual General Meeting

Notice is hereby given that the 87th Annual General Meeting of the Company will be held on Wednesday, the 29th day of September, 2010 at 10.30 A.M. at the Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata – 700 017 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2010, the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gopal Ji who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

As Ordinary Resolution

4. "RESOLVED THAT Mr. Ranjit Singh who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom a notice has been received from a Member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying to propose Mr. Singh for appointment as a Director, be and is hereby appointed a Director of the company whose period of office shall be determined by retirement of Directors by rotation."

Place : Patna
Dated : 28th May, 2010

Registered Office :
7B, Middleton Street
Kolkata – 700 071

By Order of the Board
B. Bhattacharjee
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING.**
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2010 to 29th September, 2010 both days inclusive.
3. **Members are requested to notify immediately any change in their address to the Registrars and Share Transfer Agent of the Company, C. B. Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata – 700 019.**
4. Members desirous of getting any information about the accounts and operation of the Company are requested to write to the Company at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.

5. Pursuant to the relevant provisions of the Companies Act, 1956 all Unclaimed/Unpaid Dividend upto the year 1998-1999 have been transferred to the Investors' Education & Protection Fund. The Company did not declare any Dividend since then.
6. Members intending to avail of the nomination facility may furnish the particulars in the prescribed form and are advised to contact the Registrars for details in this regard.
7. In view of increase in cost of printing, you are requested to bring your copy of Annual Report with you at the meeting .
8. Please bring the attendance slip with you duly filled in and hand over the same at the entrance of the meeting hall.
9. Members are advised to comply with the requirements of SEBI Insider Trading Regulations, 2002 as amended.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE BUSINESS SPECIFIED IN ITEM NO. 4 OF THE NOTICE CONVENING THE EIGHTYSEVENTH ANNUAL GENERAL MEETING**Item No.4**

Mr. Ranjit Singh was appointed as an Additional Director at the Board Meeting held on 28th July, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association. His tenure of Office as a Director expired on the day of the last Annual General Meeting held on 22nd September, 2009. Mr. Singh was however, again appointed as an Additional Director at the Board Meeting held on 29th October, 2009. He will hold office upto the ensuing Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the name of Mr. Singh for appointment as Director.

Mr. Singh held various senior positions during his service tenure. He has wide corporate working back ground. The company will be immensely benefited from his experience.

Except Mr. Ranjit Singh none of the Directors is interested or concerned in the resolution.
Your Directors recommend the resolution for your approval

Place : Patna
Dated : 28th May, 2010

Registered Office :
7B, Middleton Street
Kolkata – 700 071

By Order of the Board
B. Bhattacharjee
Company Secretary

Particulars of Directors seeking appointment/reappointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Ranjit Singh
Age	85 years
Qualification	Graduation in Industrial Chemistry & General Engineering
Date of Appointment	29.10.2009
Expertise	More than 45 years experience as Senior Executive in industrial and business houses.
Details of others Directorship	Nil.
Member of the Committee	Jenson & Nicholson (I) Ltd. Audit Committee
No. of Share held	N I L

Name of Director	Mr. Gopal Ji
Age	84 years
Qualification	M.Sc, MBA
Date of Appointment	28.11.2005
Expertise	Wide corporate experience as Senior Executive in Industrial and business houses.
Details of others Directorship	Nil.
Member of the Committee	Jenson & Nicholson (I) Ltd. Audit Committee Remuneration Committee
No. of Share held	N I L

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2010

Your Directors submit their report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

Financial Results

(Rs.in Lacs)

Particulars	2009-2010 (Current Year)	2008-2009 (Previous Year)
Total Income	4000	3922
Total Expenditure	4051	4210
Operational Profit/(Loss)	(52)	(287)
Interest	172	171
Depreciation	212	214
Profit/(Loss) before Tax, Exceptional/Extra Ordinary Items	(436)	(673)
Exceptional/Extra Ordinary Items	110	(81)
Profit/(Loss) before Tax	(326)	(754)
Provision for Tax	-	7
Profit/(Loss) after Tax before Prior period items	(326)	(761)
Prior Period Items	62	-
Profit/(Loss) after Tax	(387)	(761)
Profit/(Loss) brought forward from previous year	(47083)	(46321)
Balance Carried to Balance Sheet	(47470)	(47083)

Operations

Total income for the year ended 31st March, 2010 is Rs.4,000 Lacs against Rs. 3,922 Lacs for the year ended 31st March, 2009. Shortage of working capital is still a big hindrance in the improvement of performance. However, good product mix and greater focus on high value products, helped the company to realize better margin inspite of constant pressure on cost escalation. Production at Naihati Factory remained suspended. Production at Sikandrabad factory continued at the lower level. Financial constraints faced by the company over the last several years still remains unresolved.

Financial and Organisational Restructuring

Company's efforts for restructuring is likely to take a positive shape. The Company has been able to find some strategic investor and with the assistance extended by them, decided to settle the secured creditors on negotiations. However, much of restructuring depends on the sale of Panvel property which could not be formalized because of the inability on the part of the bidder to keep the commitment as a result of economic melt down and depressed real estate market. The matter has been taken up with the Assets sale Committee to find out a way. The real estate market is picking up gradually and hopefully the company would be able to tide over the situation shortly.

Information pursuant to Section 217 of the Companies Act, 1956**A) Conservation of Energy & Technology Absorption**

Every effort is there for optimal use of energy and minimize the cost for energy consumption through close monitoring.

Information pursuant to section 217(1) (e) of the companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors), Rules, 1988, for the year ended 31st March, 2010 are given in the Annexure-I hereto.

B) Particulars of Employees

Particulars of Employees under Section 217(2A) of the Companies Act, 1956.

Nil.

C) Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors state that :

- a) In the preparation of the accounts for the year ended 31st March, 2010, applicable accounting standards have been followed with no material departure;
- b) Your Directors have 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 as at 31st March, 2010 and of the loss for the year ended on that date;
- c) Your Directors have taken proper and sufficient care for the 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.
- d) The accounts for the year ended 31st March, 2010 have been prepared on a going concern basis.

Foreign Exchange Earnings and Outgo

1. Earnings of Foreign Exchange during the year ended 31st March, 2010 was Rs. NIL Lacs against Rs. NIL Lacs during the year ended 31st March, 2009.
2. The outflow of foreign Exchange during the year ended 31st March, 2010 was Rs. NIL lacs against Rs. 15.03 Lacs during the year ended 31st March, 2009.

Listing of Shares

Ordinary Shares of the Company continued to be listed with the Calcutta, Mumbai and National Stock Exchange.

The Company has made application for delisting of shares with Ahmedabad, Bangalore, Delhi and Magadh Stock Exchanges.

Corporate Governance

The report of the Corporate Governance certified by M. Mukerjee & Co., Statutory Auditors confirming compliance as

stipulated in Clause 49 of the Listing Agreement has been set out in Annexure II.

Management Discussion and Analysis

Management discussion and Analysis has been appended to this report in terms of the Listing Agreement is given in Annexure III.

Directors

Mr. Ranjit Singh was appointed as an Additional Director at the Board Meeting held on 28th July, 2009 pursuant to Article 91 of the Articles of Association and Section 260 of the Companies Act, 1956. However, his tenure expired on the day of the Annual General Meeting held on 22nd September, 2009. Mr. Singh was again appointed as an Additional Director at the Board Meeting held on 29th October, 2009 to hold office upto the date of ensuing Annual General Meeting. A notice has been received from a member proposing the name of Mr. Singh for appointment as a Director.

Mr. Arun Ramanathan has been appointed as Special Director by the Board for Industrial and Financial Reconstruction.

Mr. Gopal Ji retires and being eligible offers himself for reappointment.

Auditors' Report

Observations made in paras 4(i) and 4(iv) of the Auditor's Report are self explanatory and for further details reference is made to schedules 16 & 17 of the accounts. Necessary remedial measures have been initiated in respect of item nos. 4(ii) and 4(iii) of the Auditors' Report.

Auditors

M/s. M. Mukerjee & Co., Chartered Accountants, retiring Auditors have been proposed for reappointment at the Annual General Meeting.

Appreciation

Industrial relations remained cordial during the period under review. Your Directors place on record their appreciation for the support and contribution made by the employees at all levels. Your Directors also wish to place on record their appreciation for the help and support extended by the Banks and Financial Institutions during the year under review.

For and on behalf of the Board

Place : Patna

Date : 28th May, 2010

A. S. Varma
Chairman

Annexure I to the Directors' Report

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2010.

FORM - B
FORM – A

	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Units (KWH)	328328	319624
Total Amount (Rs.)	26,55,520	21,78,968
Rate / Unit (Rs./KWH)	8.09	6.82
b) Own Generation		
i) Through Diesel Generation		
Units (KWH)	24684	27275
Unit per ltr. of Diesel (KWH/ltr.)	3.09	3.10
Cost/Unit (Rs./KWH)	11.45	11.72
ii) Through Steam Turbine/Generator		
Units	NA	NA
Unit per litre of Fuel		
Oil/Gas(KWH/ltr.)		
Cost/Unit (Rs./KWH)		
2. Coal		
Quantity	NA	NA
Total Cost		
Average Rate		
3. Furnace Oil		
Quantity	NA	NA
Total Amount		
Average Rate (per KL)		
4. Others/Internal Generation		
Quantity	NA	NA
Total Cost		
Rate/Unit (Per KL)		

B. Consumption per unit of production

Paints, Varnishes & Enamels (KL)*	3845.00	3846.00
Unit/KL		
Electricity	90.19	91.81
Coal	NA	NA
Furnace Oil	NA	NA
Others	NA	NA

*No specific standard as the consumption per unit depends on the product mix

The variation in consumption in power and fuel was due to different product mix and higher quantity of production between current period and previous period.

RESEARCH AND DEVELOPMENT (R&D)

- 1) Specific areas in which R&D carried out by the Company : Nil
- 2) Benefits derived as a result of the above : Does not arise
- 3) Future Plan of Action : Not yet decided
- 4) Expenditure on R&D

i) Revenue	Rs. Nil
ii) Total	Rs. Nil
iii) Total as % of total turnover	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1) Efforts in brief made towards technology absorption, adaptation & innovation – Nil
- 2) For imported technology (imported during last 5 years reckoned from the beginning of the Financial Year).

The following is being furnished :

- | | |
|---------------------------------------|-----|
| a) Technology Imported | Nil |
| b) Year of Import | - |
| c) Has technology been fully Absorbed | - |

For and on behalf of the Board

Place : Patna
Date : 28th May, 2010

A. S. Varma
Chairman

ANNEXURE II TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE :
(As required by clause 49 of the Listing Agreement of the Stock Exchanges)
1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Fair and transparent business practices, maximize shareholders value, compliance of applicable regulations and bring excellence in corporate functioning.

2. BOARD OF DIRECTORS

As on 31st March, 2010, the Board of Directors comprised of eight members of which six are Non-Executive and independent Directors in terms of the definition of independent Director contained in the Clause 1 (A)(iii) of Clause 49 of the Listing Agreement. The Chairman & MD is the Executive Director.

Out of the six Independent Directors there is two Nominee Director, one appointed by UTI and another appointed by BIFR.

- i) During the twelve months ended March 31, 2010, the Board met five times on 22nd May, 2009, 28th July, 2009, 29th October, 2009, 29th January, 2010 and 31st March, 2010.
- ii) Details of individual status of Directors and the attendance of Directors at Board Meetings and at the last Annual General Meeting is given in the following table:

Name of Directors	Category	No. of Board Meetings attended	Attendance at last A.G.M. held on 22.09.09	Remarks
Mr. A. S. Varma Chairman and Managing Director	Executive	5	Yes	
Mr. V. S. Varma	Non-Executive	3	No	
Ms. Vasantha Govindan Appointed as UTI Nominee	Non-Executive Independent	2	No	UTI has appointed its nominee in its capacity as lender
Mr. Gopal Ji	Non-Executive Independent	4	No	
Mr. N.M. Sahai	Non-Executive Independent	5	Yes	
Mr. B.S. Sahay	Non-Executive Independent	5	Yes	
Mr. Ranjit Singh	Non-Executive Independent	4	Yes	
Mr. Arun Ramanathan	Non-Executive Independent	Nil	No	BIFR appointed him as Special Director w.e.f 22/02/10

Mr. A.S. Varma and Mr. V.S. Varma happens to be relative

- iii) Details of other Directorships, etc.

The details of the Directorships in other Companies (excluding Private Limited Companies and Companies under Section 25 of the Companies Act, 1956) Chairmanships and the Committee memberships held by the Directors are given below:

Name of Directors	No. of other Directorships (Excluding J&N(I) Ltd)	Chairman of the Board (Excluding J&N(I) Ltd.)	Board Committees of which he is a member (Including J&N(I) Ltd)	Board Committee of which he is a Chairman (Including J&N(I) Ltd)
Mr. A.S. Varma	3	-	3	-
Mr. V. S. Varma	1	-	3	-
Ms. Vasantha Govindan	1	-	-	-
Mr. Gopal Ji	-	-	2	-
Mr. N. M. Sahai	1	-	3	3
Mr. B.S. Sahay	-	-	1	-
Mr. Ranjit Singh	-	-	1	-
Mr. Arun Ramanathan	5	-	1	-

Chairmanship / Membership of Board Committees include membership of Audit, Remuneration, and Investors' / Shareholders' Grievance Committee only.

iv) Code of Conduct

The Board of Directors have laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct has been posted on company's website. All Board Members and Senior Management personnel have affirmed compliance of said code of conduct for the year ended 31st March, 2010. Necessary declaration to this effect signed by the Chairman & Managing Director is annexed hereto.

3. AUDIT COMMITTEE

- i) The Audit Committee of the Board is in existence for the last three years and comprised of the following Directors at 31st March, 2010 :

Mr. N.M.Sahai	-	Chairman
Mr. V. S. Varma	-	Member
Mr. Gopal Ji	-	Member
Mr. B.S. Sahay	-	Member
Mr. A.S.Varma	-	Member
Mr. Ranjit Singh	-	Member

*Mr. Arun Ramanathan was included on 28.5.2010.

Majority of members of Audit Committee have sound knowledge of Accounts, Audit and Financial matters.

- ii) During the twelve months period ended March 31, 2010, the Audit Committee met four times. The Company Secretary acts as the Secretary of the Audit Committee. The details of attendance of the Committee Members are given below:

Name of Directors	22.05.09	28.07.09	29.10.09	29.01.10
Mr. A. S. Varma	Yes	Yes	Yes	Yes
Mr. V. S. Varma	No	Yes	Yes	No
Mr. N. M. Sahai	Yes	Yes	Yes	Yes
Mr. Gopal Ji	Yes	Yes	No	Yes
Mr. B.S. Sahay	Yes	Yes	Yes	Yes
Mr. Ranjit Singh	No	No	No	Yes

- iii) The Audit Committee has been assigned the following terms of reference:

- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending appointment and removal of auditors, fixation of audit fee, approval of payment of statutory auditors for any other services rendered by them.
- Reviewing with the management the annual financial statements before submission to the Board for approval with a focus on matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956 accounting policies and any changes therein, major accounting entries qualifications in draft audit report, significant adjustments arising out of audit, going concern assumptions, compliance with

accounting standards, legal compliance and compliance with listing agreement, related party transactions, adequacy of internal audit function including staff structure and seniority of Officers, reporting structure, coverage and frequency of internal audit.

- Discussion with the Internal Auditors, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation.
- Discussion with external auditors on the nature and scope of audit and post audit discussion to ascertain area of concern.
- Reviewing the company's financial and risk management policies and the reason for defaults, if any in payments to depositors, debenture holders and creditors.
- Besides, the Audit Committee has been given the following powers to exercise its functions efficiently and effectively:
 - to investigate an activity within its terms of reference,
 - to seek significant information from an employees,
 - to obtain outside legal or other professional advise,
 - to secure attendance of outsiders with relevant expertise, if it considers necessary.

4. REMUNERATION COMMITTEE

- i) A Remuneration Committee has been constituted comprising of the following members as at 31st March, 2010. However, no meeting of the committee has taken place during the year.

Mr. N.M.Sahai	-	Chairman
Mr. V. S. Varma	-	Member
Mr. Gopal Ji	-	Member
Mr.A.S.Varma	-	Member

- ii) Terms of reference of the Remuneration Committee includes:

- To fix up the remuneration packages of the Managing Director / Whole time Director / Executive Directors / Manager (Chief Executive) in whole time capacity and to change or vary the terms and conditions of their appointment subject to statutory regulations.
- To decide upon the re-appointment of the Managing Director / Whole time Director and other Executive Directors / Manager (Chief Executive) in whole time capacity along with their remuneration and recommend to the Board.
- In order to retain the best talents and to motivate them, to review the remuneration packages in line with the trend in the industry and other organizations of similar magnitude.
- To frame an overall remuneration policy for the Managing Director / Whole time Director and other Executive Directors / Manager (Chief Executive) in whole time capacity including the Superannuation and other compensation payments within the overall statutory limits.
- To keep in view while deciding upon remuneration

payable to the Managing Director / Whole time Director / Executive Director / Manager, the complexities of the business of the Company, problems faced by it and efforts made to review the same.

iii) **Remuneration Policy**

The Company's remuneration policy has been outlined in the "Terms of Reference" of the Remuneration Committee as stated above. However, the remuneration of the Whole time Directors / Chief Executive, if any, is fixed in accordance with the statutory provisions and with the approval of the Members.

iv) **Sitting Fees Paid to the Directors for the 12 months period ended 31.03.2010**

Non Executive Directors are eligible for sitting fees for meetings attended. Details of sitting fees and commission paid / payable to Non-executive Directors are as follows:

Name of Directors	Sitting Fees Rs.	Total Rs
V. S. Varma	30,000/-	30,000/-
Gopal Ji	35,000/-	35,000/-
Vasantha Govindan	10,000/-	10,000/-
N.M. Sahai	50,000/-	50,000/-
B.S. Sahay	45,000/-	45,000/-
Ranjit Singh	25,000/-	25,000/-
	1,95,000/-	1,95,000/-

The Company has not provided the benefits of Bonus and Stock Option. In view of the loss incurred by the company, no performance linked incentive was paid to any director.

Service Contract

- No Service Contract has been entered into with Mr. A.S. Varma
- Notice period is six months or as mutually agreed.
- There is no separate provision for payment of severance fees under the resolution governing the appointment of Chairman and Managing Director. The statutory provisions will however apply in this regard.
- Details of the Directors appointed / re-appointed during the year
Mr. Gopal Ji, MSc, MBA. having more than 40 years experience as Senior Executive in Public Sector Undertaking and business house as well.

5. SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

- The Board has constituted a Shareholders' / Investors' Grievance Committee under the Chairmanship of Mr. N.M.Sahai, who is a Non-executive Independent Director. The following are the members of the Committee:

Mr. N.M.Sahai	Chairman
Mr. V. S. Varma	Member
Mr. A.S.Varma	Member

The Committee deals with the Shareholders related issues and looks into redressal of their grievances. The Committee had one meeting during the twelve months period ended March 31, 2010.

- Name & Designation of Compliance Officer
Mr. B. Bhattacharjee - Company Secretary
- No. of Complaints received from the Shareholders - 13
- No. of Complaints not resolved / no action taken - NIL
- No. of pending share transfers as at 31st March, 2010 - NIL

Share transfers are generally effected in a fortnight and there are no share transfers pending for more than a fortnight.

6. GENERAL BODY MEETINGS

i) **Particulars of last three Annual General Meetings:**

AGM	YEAR ENDED	VENUE	DATE	TIME
86 th	31.03.09	Kalamandir (Kalakunj) 48, Shakespeare Sarani Kolkata – 17	22.09.09	10.30 A.M.
85 th	31.03.08	Kalamandir (Kalakunj) 48, Shakespeare Sarani Kolkata – 17	26.09.08	10.30 A.M.
84 th	31.03.07	Kalamandir (Kalakunj) 48, Shakespeare Sarani Kolkata – 17	27.09.07	10.30 A.M.

- Special Resolutions were duly passed at the above General Meetings.
- No Special Resolution was required to be put through postal ballot last year.
- There were no Extraordinary General Meetings held during the year under review.
- No special resolution requiring postal ballot is being proposed at this Annual General Meeting

7. DISCLOSURES

- During the period, the Company did not enter into any transaction of a material nature with any of the related parties, which were in conflict with the interest of the Company. The details of related party transactions in accordance with Accounting Standard – 18 issued by the Institute of Chartered Accountants of India have been given in Note 6 of Schedule 17 to the annual accounts of the company.
- The Company has complied with the requirements of regulatory authorities on capital market. No penalty or stricture have been issued by an authority.
- The company does not have a formal whistle blower policy. However, no person has been denied access to the Audit Committee.
- The company has complied with all the requirements of Clause 49 of the listing agreement.
- The Non-Executive Directors do not hold any share or convertible instrument in their name.

- f) Quarterly Compliance Report duly signed by the Compliance Officer is being submitted to the Stock Exchanges regularly.
- g) Remuneration Committee has been constituted and in existence for sometime.
- h) The Company has reasonable internal controls and procedures in place which help assess the risk and minimize the same. The internal controls and procedures are periodically reviewed with a view to exercising control over risks and consequential losses.
- i) The Company has not raised any fund through Public Issue / Right Issue / Preferential Issue during the current financial year.
- j) Disclosure of Accounting Treatment- In the preparation of financial statements, the company has followed the norms prescribed in the accounting standards.

8. MEANS OF COMMUNICATION

- i) Half Yearly report sent to Shareholders : Half yearly results have not been sent to the shareholders. However, the half yearly report, as applicable, is being sent to the Stock Exchanges and is also published in the newspapers.
- ii) Quarterly results Published in the newspaper : i) Financial Express - English
ii) Kalantar - Bengali
Audited Financial Results Published in the newspaper : i) Financial Express - English
ii) Kalantar - Bengali
- iii) Any website where results or official news are displayed. : Yes, through website of stock exchange
- iv) The presentation made to Institutional Investors or to Analysts : None made during the year ended 31st March, 2010.
- v) Whether management discussion and analysis is a part of Annual Report or not : Has been annexed to Directors' Report

9. GENERAL SHAREHOLDERS' INFORMATION

- i) Annual General Meeting

Date	29th September, 2010
Time	10.30 A.M.
Venue	Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata – 700 017

- ii) Financial Calendar (Tentative)

Results of 12 months period (audited)	End May, 2010
First Quarter Results (30 th June)	End July, 2010
Mailing of Annual Report	End Aug., 2010
Annual General Meeting	End Sept., 2010
Second Quarter Results (30 th Sept.)	End Oct., 2010
Third Quarter Results (31 st Dec.)	End Jan., 2011
Annual Audited Results for the year ending March 31, 2011	End May, 2011

- iii) Book Closure : 23.09.2010 to 29 .09.2010 (both days inclusive)
- iv) Dividend Payment Date : In view of loss, no dividend was recommended for payment to the Ordinary or Preference Shareholders.
- v) Listing on the Stock Exchanges : 1. The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata – 700 001.
2. Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001.
3. National Stock Exchange of India Ltd, "Exchange Plaza", 5th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Mumbai – 400 051.

The Board has decided for voluntary delisting of its shares from the stock exchanges at Ahmedabad, Bangalore, Delhi and Magadh. Necessary approval of the Shareholders has also been obtained at the last Annual General Meeting held on 30th September, 2002. The matter is in process.

- vi) Stock Code :
1. The Calcutta Stock Exchange Association Ltd. 20241 and 10020241
2. The Stock Exchange, Mumbai 523592
3. The National Stock Exchange of India Ltd. JENSONICOL

- vii) Market Price Data : Month wise high and low Quotations on National Stock Exchange (NSE) during the 12 months period are as under :

Share Price Data (For the year 01.04.2009 – 31.03.2010)

Month	National Stock Exchange (NSE) (in Rs.)	
	High	Low
April, 2009	3.90	3.10
May, 2009	5.00	3.00
June, 2009	6.70	3.95
July, 2009	4.50	3.75
August, 2009	5.55	4.00
September, 2009	7.60	5.65
October, 2009	6.95	5.75
November, 2009	7.10	5.30
December, 2009	7.65	5.40
January, 2010	9.40	6.50
February, 2010	7.65	6.00
March, 2010	6.90	5.15

- viii) Registrar and Share Transfer Agent : C. B. Management Services Pvt. Ltd. P-22, Bondel Road, Kolkata – 700 019 Ph. No. 40116728 Fax No. 2287 0263

- ix) Share Transfer System

Share transfer in physical form are registered by the Registrars and placed before the Share Transfer Committee for approval and returned to respective

JENSON AND NICHOLSON (INDIA) LIMITED



transferees within a period ranging from fifteen Days to one month usually, provided the documents lodged with the Registrars/Company are clear in all respects.

x) Distribution of Shareholding

No. of Shares	No. of Share Holders	Percentage of Total Share Holders	No. of Shares	Percentage of Total Share Holdings
1 to 500	11417	57.52	3029524	8.09
501 to 1000	5213	26.26	4075820	10.89
1001 to 2000	1698	8.55	2675339	7.15
2001 to 3000	515	2.59	1375900	3.68
3001 to 4000	199	1.00	741062	1.98
4001 to 5000	299	1.51	1465082	3.91
5001 to 10000	301	1.52	2363262	6.32
10001 to Above	208	1.05	21699606	57.98
TOTAL	19850	100.00	37425595	100.00

xi) Shareholding Pattern

Sl. No.	Status	No. of Holders	No. of Shares	% to Total
1	Resident Individuals	19289	18500679	49.43
2	Domestic Companies	452	4624589	12.35
3	Non Resident Indians	95	159154	0.43
4	Indian Promoters & Associates	2	12633342	33.76
5	Financial Institutions, Insurance Companies	4	1504581	4.02
6	Mutual Fund & UTI	1	375	0.00
7	Banks	7	2875	0.01
8	Overseas corporate Bodies	Nil	Nil	Nil
		19850	37425595	100.00

xii) Dematerialisation of Shares : As on 31st March, 2010, 90.49% of the total number of shares of the Company were held in Demat mode. The Code number allotted by NSDL / CDSL is (ISIN) INE 819 B 01021

xiii) Outstanding GDR / ADR / Warrants or any convertible Instruments : The Company did not issue any GDR/ADR/Warrants or any convertible Instruments during the year under review.

xiv) Plant Locations : **Naihati-West Bengal**
P. O. Naihati, 24, Parganas (North), West Bengal
Sikandrabad -U.P.
Plot Nos 21 & 22, U.P.S.I.D.C Industrial Area Sikandrabad – 203205 Dist.- Bulandshahr, U.P.

xv) Registered Office & Address for correspondence : Jenson & Nicholson (India) Ltd.
7B, Middleton Street,
Kolkata – 700 071
Phone : (91) (33) 22877042
Fax No. (91) (33) 22835500
Website: www.jensonnicholson.com

xvi) Corporate Office : Jenson & Nicholson (India) Ltd.
Plot No. 107, Udyog Vihar, Phase – IV,
Gurgaon – 122 016 (Haryana).
Phone : (0124) 4567777(30 Lines)
Fax No.(0124) 4567750

xvii) Compliance Certificate: This has been obtained and annexed hereto from Auditors

xviii) Any qualification in Auditors' Report : The Auditors have made some qualifications which have been dealt with in the Directors' Report at appropriate places.

xix) CEO/CFO Certification : As required by Clause 49 of the Listing Agreement, the CEO / CFO Certification has been provided to the Board.

xx) Report on Corporate Governance : i) **Mandatory requirements**

All the mandatory requirements of Clause 49 have been complied with by the company

ii) **Non Mandatory Requirements**
The extent of compliance of non mandatory Requirements are given below:

a) The company has constituted a Remuneration Committee for deciding upon remuneration packages for Executive Directors and for Compliance with the requirements laid down on the subject

b) The company however is yet to comply with other non mandatory requirements i.e. (i) half yearly communication with shareholders (ii) regime of unqualified financial statements (iii) training of board members (iv) mechanism for evaluating non executive board members and (v) whistle blower policy.

For and on behalf of the Board

Place : Patna
Dated: 28th May, 2010

A. S. Varma
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE
To the Members of

JENSON AND NICHOLSON (INDIA) LTD.

We have examined the compliance of conditions of Corporate Governance by JENSON AND NICHOLSON (INDIA) LTD. for the year ended on 31 March, 2010, 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 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.

In our opinion and to the best of our information and according to the explanations given to us, read with Clause 2 (i) of Annexure to Directors' Report on Corporate Governance regarding stipulated gap between Board Meetings, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 and on behalf of
M. Mukerjee & Co.
Chartered Accountants

(Rana Chatterjee)
Partner
Membership No. 053209

Place : Patna
Date : 28th May, 2010

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT CONTAINING CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock exchanges, I hereby confirm that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance of the Code of Conduct for its Directors and Senior Management, for the year ended 31st March 2010.

For Jenson & Nicholson (I) Ltd

Place : Patna
Date : 28th May, 2010

(A.S. Varma)
Chairman & Managing Director

Whenever you see col or, thi nk of us

ANNEXURE III TO THE DIRECTORS' REPORT-2010
MANAGEMENT DISCUSSION AND ANALYSIS
Company Performance and the Outlook of the market

During the financial year, Indian economy witnessed gradual recovery after the unprecedented worldwide slow down which had its severe impact . There was slow but gradual increase in industrial activities leading to higher income, demand and consumption. Paints market for industrial and decorative segments is picking up. Performance of the company during the year has been somewhat better, but because of severe working capital shortage, it could not take the full advantage of expanding market. However, efforts are on to utilize the resources to the best.

Risks & Threats

Most of the Raw Materials used for manufacture of Paints are oil based and the price of oil in international market has started picking up again and the company is exposed to such international price fluctuations of these products. Prices of other inputs have also gone up. Rate of inflation is still high . All these have a very negative impact on the margins. Apart from this, unorganized small producers also tend to a real challenge..

Restructuring

Company's restructuring plan is likely to be formalized shortly. The company has been able to find a strategic partner and with the assistance extended by them, the company plans to negotiate with secured lenders and settle their dues. However, lot depends on the sale of Panvel properties which could not materialize because of inability on the part of the bidder to keep his commitment as a result of depressed real estate market. The matter has been referred to Asset sale committee for early resolution.

Internal Control System

The Company has adequate Internal Control System into various areas to ensure transparency. Every effort is there to further develop the system and to extend it to new areas. Several Chartered Accountant firms have been appointed to carry out Internal Audit at various branches to keep a regular watch on their operations and other units.

Industrial Relations

Industrial Relations by and large cordial at all levels. As on today total number of employees at all levels are 432.

For and on behalf of the Board

Place : Patna
Date : 28th May, 2010

A. S. Varma
Chairman

**AUDITORS' REPORT TO THE MEMBERS OF
JENSON AND NICHOLSON (INDIA) LIMITED**

1. We have audited the attached Balance Sheet of Jenson & Nicholson (India) Limited, as at 31st March, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. 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) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956, we enclose in the Annexure a statement on the matters stated in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) **The banks, financial institutions and other lenders have filed legal cases against the company for recovery of outstanding loans and interest thereon. No provision has been made in these accounts for additional interest, penal interest, liquidated damages etc. amounting to Rs. 73967 thousand as claimed by the above lenders at various legal forums, The same has been shown as contingent liability in notes to accounts attached to the said accounts. Company however had been providing interest on the above loans on a basis as considered appropriate by the management but up to 31st March, 2006. However, the company has stopped providing interest on all loans from banks and financial institutions whether secured or unsecured w.e.f. 01.04.2006 on the ground that these loans would have been declared NPA by them. Interest amounting to Rs. 3698462 thousand up to current year ended 31st March, 2010 has not been provided but the same has also been included in contingent liability.**
 - ii) **In the absence of documentary evidences and confirmations, amount of Interest payable to the suppliers in the form of Micro, Small and Medium Enterprises and others under the**

provision of the Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained.

- iii) **In the absence of adequate details and information and explanations we are unable to comment as to the extent of recoverability of Loans and advances and Sundry Debtors considered good amounting to Rs. 13712 thousand and Rs. 445 thousand respectively.**
- (iv) **These financial statements have been prepared on a going concern basis. The Company has incurred a loss during the year. The company is passing through a severe liquidity crisis and is unable to honour its commitment to lenders, preference shareholders, suppliers and employees. The bankers, financial institutions and other lenders have taken legal action for recovery of their dues. Several petitions for winding up of the company have been filed by the creditors and lenders. The company is contesting these petitions or is settling such petitions out of courts. The company is in the process of restructuring its business and also trying to identify alternative source of finance. In the absence of adequate financial support this basis would be invalid. Provision would then have to be made for any loss that might arise when the company's assets are realised.**

We further report that, the effect of our remarks in paragraph 4 (ii) to 4(iv) could not be readily ascertained.

Subject to our remarks in Para 4 (i) to 4 (iv) above we further report that :

- (i) 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;
- (ii) 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;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and 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 Act;
- (v) **As the company had made defaults in redemption of debentures, we report that except the nominee directors of the financial institutions/BIFR, all the directors of the Company are disqualified as on 31st March, 2010 from being appointed/reappointed as a director in any other company, u/s 274(1)(g) of the Companies Act, 1956 read with Companies (Disqualification of Directors of the Companies Act, 1956) Rules 2003.**
- (vi) In our opinion and to the best of our information and according to the explanations given to us and subject to

our remarks in paragraph 4(i) to 4(iv) above, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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, 2010;
- (ii) in the case of the Profit and Loss Account, of the loss 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.

M. Mukerjee & Co
Chartered Accountants

Rana Chatterjee
Partner
Membership No. 53209

Place: Patna

Date: 28th May, 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date)

- (i) (a) **Although the company has maintained records showing particulars including quantitative details and situation of fixed assets, the same however are not updated.**
- (b) **The assets have not been physically verified by the management during the year. Material discrepancies, if any, are not ascertainable.**
- (c) No substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure 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) The company is maintaining proper records of inventory. The discrepancies noted on verification between the physical stock and the books were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms and other parties, covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of the business with regard to purchase of inventory, fixed assets and with regard to sale of goods. Though there is scope for further strengthening internal control, during the course of our

audit, we have not come across any continuing failure to correct major weaknesses in internal control system.

- (v) (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, all transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 and including those transactions exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, no deposits within the meaning of Sections 58A and 58AA or any other relevant provision of the act and rules framed there under have been accepted by the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us maintenance of Cost Records pursuant to rules made by the Central Government under section 209 (1) (d) of the Companies Act, 1956 was applicable to the Company for manufacturing of resins at its Naihati Factory. However in view of the suspension of operation at Naihati Factory, Cost audit was not carried out for the year.
- ix) (a) **The company is not regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, ESI, income tax, sales tax, customs duty, excise duty and other material statutory dues applicable to it. The arrear as on 31st March, 2010 on these dues were as below :-**

(Rs. in thousands)

1	Provident Fund	13,824
2	Income Tax	2,698
3	Sales Tax	10,684
4	Customs Duty	7,367
5	Excise Duty	24,986
6	Professional Tax	339
7	ESI	1,262

According to the information and explanations given to us undisputed amounts payable in respect of income

tax, sales tax, customs duty, excise duty , Wealth Tax, Service Tax and Cess were in arrear as at 31st March,2010 for a period of more than six month from the date they became payable. The details are given in the following statement :-

Statement of other statutory dues outstanding for more than six months.

Name of statute	Nature of the Dues	Amount (Rs.000)	Period to which the amount is due from	Due Date
Income Tax Act	TDS	2,396	2002-03	Various Dates
Sales Tax Act	Collected	5,367	Various Year	Various Date
Customs Act	Payable	7,367	1999-00	Various Dates
Excise Act	Payable	24,986	Various Year	Various Dates

(b) According to the information and explanation given to us, there are dues tax,wealth tax,service tax,custom duty and excise duty and cess which deposited on account of any dispute

We give below details of such disputed amount :-

Statement of disputed dues

Name of Disputed dues	Nature of the Dues	Amount (Rs.000)	Forum Where dispute is pending
Central Sales Tax Act and Sales Tax act of Various States	Sales Tax	24,749	Commissioner (Appeals)/ Appellate Tribunal
Panvel octroi	Octroi Assessed	7,191	Maharashtra Gov.
Central Exise Act, 1944	Excise Duty	39,539	Excise Authority
Income Tax Act 1961	Income Tax	2,06,044	Commissioner of Income Tax (Appeals)
Custom Duty	Custom Duty	21,024	Custom Authority

(x) In our opinion, the accumulated losses of the Company exceeded more than fifty percent of its net worth. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

(xi) The company has defaulted in repayment of dues to financial institution, banks and debenture holders. We give below a statement showing period and amount involved.

	Parties	Amount (Rs.000)	Period from
a)	Secured Debentures	566,240	2000-07
	Cash Credit from banks	974,976	2000-07
	Working Capital term loan from banks	545,706	2000-07
	Term and other loans	1,269,645	2000-07
b)	Unsecured Loan	2,23,429	2000-10

- (xii) In our opinion the company has not granted loans and advances on the basis of securities by way of pledge of stocks, debentures and 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. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) **In our opinion, the company has given irrevocable guarantees for loans taken by others from the banks or financial institutions and a liability including interest of Rs. 913281 thousand (previous year Rs. 769270 thousand) has been claimed which the company has not acknowledged as debt on the ground that the company was taken over by a buyer but the liability on this account has also been shown in Contingent Liability.**
- (xvi) During the year, the company has not taken any Term Loan.
- (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 on short term basis have been used for long term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (xviii) of the order are not applicable to the company.
- (xix) **According to the information and explanations given to us, security documents are pending for 15% NCD placed with NIA (Rs. 30168 thousand), 15% NCD placed with UTI (Rs. 117547 thousand) and 13.5% OCD placed with UTI (Rs. 126403 thousand).**
- (xx) The company did not raise money by public issues during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M. Mukerjee & Co
Chartered Accountants

Rana Chatterjee

Place: Patna
Date : 28th May, 2010

Partner
Membership No.53209

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in '000)

	Schedule No.	As at 31st March, 2010	As at 31st March, 2009
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	244,851	244,851
Reserves & Surplus	2	<u>691,130</u>	<u>692,359</u>
		935,981	937,210
LOAN FUNDS	3		
Secured Loan		3,564,842	3,567,742
Unsecured Loan		<u>223,429</u>	<u>215,401</u>
		3,788,272	3,783,143
TOTAL		<u><u>4,724,253</u></u>	<u><u>4,720,353</u></u>
II. APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		2,335,633	2,332,308
Less : Depreciation		974,044	951,647
Less : Impairment Loss		<u>958,819</u>	<u>958,819</u>
Net Block		402,770	421,842
Capital Work-in-Progress		<u>2,022</u>	<u>1,756</u>
		404,792	423,598
INVESTMENTS	5	225	225
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	78,720	74,369
Sundry Debtors	7	62,339	76,261
Interest accrued on Fixed Deposits		8,944	12,018
Cash and Bank Balances	8	236,506	208,540
Loans and Advances	9	<u>13,712</u>	<u>13,089</u>
		<u>400,221</u>	<u>384,277</u>
Less: CURRENT LIABILITIES & PROVISIONS	10		
Current Liabilities		775,348	741,106
Provisions		<u>52,650</u>	<u>54,921</u>
		<u>827,997</u>	<u>796,027</u>
NET CURRENT ASSETS		(427,776)	(411,751)
PROFIT & LOSS ACCOUNT - DEBIT BALANCE		<u>4,747,012</u>	<u>4,708,281</u>
TOTAL		<u><u>4,724,253</u></u>	<u><u>4,720,353</u></u>
Significant Accounting Policies	16		
Notes to the Financial Statements	17		

The Schedules Referred to above form an integral part of Financial Statements.

As per our attached report of even date

M. Mukerjee & Co
Chartered Accountants

Rana Chatterjee
Partner
Membership No.53209

Place : Patna
Dated : 28th May, 2010

B.Bhattacharjee
Company Secretary

On behalf of the Board of Directors

A.S.Varma
Chairman & Managing Director

N.M. Sahai
Director

B.S.Sahay
Director

Gopal Ji
Director

Ms. Vasantha Govindan
Director

Ranjit Singh
Director

JENSON AND NICHOLSON (INDIA) LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010**

(Rupees in '000)

	Schedule No.	For the year ended 31st March, 2010	For the year ended 31st March ,2009
INCOME			
Gross Sales		393,798	418,612
Less: Excise Duty		28,478	43,868
Net Sales		365,320	374,744
Other Income	11	34,651	17,476
		<u>399,971</u>	<u>392,220</u>
EXPENDITURE			
Consumption of Materials etc.	13	254,770	274,884
Employee Cost	14	51,828	45,887
Manufacturing,administrative, selling & distribution exp.	15	98,550	100,207
		<u>405,148</u>	<u>420,979</u>
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION AND TAX		(5,177)	(28,758)
Less: Interest (other than on banks & FI's Loans)		17,209	17,154
Less: Depreciation	4	21,168	21,381
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS		<u>(43,554)</u>	<u>(67,293)</u>
Less: Extraordinary Items (Expenses)	12	<u>11,000</u>	<u>(8,130)</u>
PROFIT/(LOSS) BEFORE TAX		<u>(32,554)</u>	<u>(75,423)</u>
PROVISION FOR TAXATION			
Less: Fringe Benefit Tax		-	711
PROFIT/(LOSS) AFTER TAX AND BEFORE PRIOR PERIOD ITEMS		<u>(32,554)</u>	<u>(76,135)</u>
Less: Prior period items		6,178	-
PROFIT/(LOSS) AFTER TAX		<u>(38,731)</u>	<u>(76,135)</u>
Profit/(Loss)Balance brought forward from previous year		(4,708,281)	(4,632,146)
BALANCE CARRIED TO BALANCE SHEET		<u>(4,747,012)</u>	<u>(4,708,281)</u>
Basic Earnings per Share - Loss (Rs.)		(1.68)	(2.68)
Significant Accounting Policies	16		
Notes to the Financial Statements	17		

The Schedules Referred to above form an intergral part of Financial Statements.
As per our attached report of even date

M. Mukerjee & Co
Chartered Accountants

Rana Chatterjee
Partner
Membership No.53209

Place : Patna
Dated : 28th May, 2010

B.Bhattacharjee
Company Secretary

On behalf of the Board of Directors

A.S.Varma
Chairman & Managing Director
N.M. Sahai
Director
B.S.Sahay
Director
Gopal Ji
Director
Ms. Vasantha Govindan
Director
Ranjit Singh
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in'000)

	As at 31st March,2010	As at 31st March,2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax ,exceptional and extraordinary items	(43,554)	(67,293)
Adjustment for:		
Depreciation	21,168	21,381
Interest	17,209	17,154
Interest/Dividend Received	(15,508)	(12,682)
Prior Period Items (Net)	(6,178)	-
Provision for doubtful debts and advances	(11,927)	4,764
	4,764	6,418
Operating Profit before Working Capital Changes	(38,789)	(35,022)
Adjustments for :		
Trade and Other Receivables	23,604	(25,718)
Direct Taxes Paid	(361)	(450)
Inventories	(4,351)	(13,899)
Trade Payable	5,667	8,160
Cash Flow before Extraordinary items	24,558	(31,907)
NET CASH FROM OPERATING ACTIVITIES	(14,231)	(66,929)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets/Capital W.I.P	(3,591)	(1,402)
Advance Against Sale of Property	-	175,400
Interest Received	18,583	664
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	14,992	174,662
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Advance Against Shares	35,000	15,000
Share Application trfd to Investor's protection Fund	(30)	-
Interest Paid	(544)	(410)
Loan Received during the year	(2,900)	50,900
Payment of Unsecured Loans	(4,320)	(480)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	27,206	65,010
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	27,966	172,742
CASH AND CASH EQUIVALENT		
As at 31st March,2009 (Opening Balance)	208,540	35,797
As at 31st March,2010 (Closing Balance)	236,506	208,540
	27,966	172,742

Note :

1. Previous year's figures have been re-arranged wherever necessary.
2. The above Cash Flow Statement has been prepared by using the Indirect method as per Accounting Standard 3-Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 3 The above is also in agreement with the SEBI guidelines for Cash Flow Statement

On behalf of the Board of Directors

As per our attached report of even date

M. Mukerjee & Co
Chartered Accountants

Rana Chatterjee
Partner
Membership No.53209

Place : Patna
Dated : 28th May, 2010

B.Bhattacharjee
Company Secretary

A.S.Varma
Chairman & Managing Director
N.M. Sahai
Director
B.S.Sahay
Director
Gopal Ji
Director
Ms. Vasantha Govindan
Director
Ranjit Singh
Director

SCHEDULES TO THE ACCOUNTS

(Rupees in '000)

		As at 31st March,2010	As at 31st March,2009
1 SHARE CAPITAL			
AUTHORISED			
2,500,000 Redeemable Preference Shares of Rs. 100/- each.		250,000	250,000
80,000,000 Ordinary Shares of Rs. 2/- each.		160,000	160,000
		410,000	410,000
ISSUED AND SUBSCRIBED			
1,000,000 14.5% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid		100,000	100,000
700,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid		70,000	70,000
37,425,595 Ordinary Shares of Rs. 2/- each, fully paid		74,851	74,851
		244,851	244,851

Notes:

- 1 Of the above Ordinary Shares :
 - a) Till 1982, 5,25,000 Ordinary Shares were allotted as fully paid up by way of bonus shares, by capitalisation of Reserves.
 - b) 7,50,000 Ordinary shares were allotted as fully paid bonus shares in 1991-92 by capitalisation of General Reserves and Share Premium Account.
 - c) 1,14,17,057 Ordinary Shares of Rs. 2/- each fully paid were allotted to promoters' group and overseas corporate bodies at a premium of Rs.7.40 per share on conversion of the Optionally Convertible Debentures amounting to Rs. 1000.42 lacs issued to them and interest thereon.
 - d) 53,19,148 Ordinary Shares of Rs. 2/- each fully paid were allotted to Unit Trust of India on conversion of the Optionally Convertible Debentures amounting to Rs. 500.00 lacs issued to them at a premium of Rs.7.40 per share.
- 2 Of the above Preference Shares :
 - a) 10,00,000 14.5% Cumulative Redeemable Preference Shares of Rs.100/- each issued in three tranches in 1997-98 redeemable at par at the end of the fifth year from the dates of allotment, i.e., 25.09.2002, 27.10.2002 and 08.12.2002 with option for early redemption not exceeding 25% of the aggregate of the Preference Shares outstanding at the end of the fourth year from the date of the allotment, i.e., 25.09.2001, 27.10.2001 and 08.12.2001. These Preference Shares have not been redeemed as yet.
 - b) 7,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each issued in two tranches in 1998-99 are redeemable at par at the end of the fifth year, sixth year and seventh year from the respective dates of allotment i.e., 01.02.2004 and 09.02.2004, 01.02.2005 and 09.02.2005 and 01.02.2006 and 09.02.2006 in the proportion of 30%, 30% and 40% respectively. The Preference Shareholders had filed a notice for redemption of the aforesaid preference shares.

(Rupees in '000)

2 RESERVES & SURPLUS	Balance as at 31st March,2009	Additions during the Year	Withdrawals during the Year	Balance as at 31st March ,2010
Capital Reserve	4	-	-	4
Capital Redemption Reserve	2,569	-	-	2,569
Share Premium Account	222,924	-	-	222,924
Revaluation Reserve	280,062	-	1,229	278,833
Debenture Redemption Reserve - N.C.D.	35,032	-	-	35,032
Debenture Redemption Reserve - O.C.D.	3,426	-	-	3,426
General Reserve	148,341	-	-	148,341
	692,359	-	1,229	691,130

SCHEDULES TO THE ACCOUNTS

	(Rupees in '000)			
	As at 31st March, 2010		As at 31st March, 2009	
3. LOAN FUNDS				
SECURED LOANS				
20.5% Non Convertible Debenture IDBI (i)	80,000		80,000	
Interest accrued & due on above	<u>212,122</u>	292,122	<u>212,122</u>	292,122
15% Non Convertible Debenture N. I.A.(ii)	10,000		10,000	
Interest accrued & due on above	<u>20,168</u>	30,168	<u>20,168</u>	30,168
15% Non Convertible Debenture U. T. I.(iii)	50,000		50,000	
Interest accrued & due on above	<u>67,547</u>	117,547	<u>67,547</u>	117,547
13.5% Optionally Convertible Debenture U. T. I.(iv)	50,000		50,000	
Interest accrued & due on above	<u>76,403</u>	126,403	<u>76,403</u>	126,403
Cash Credit from Banks (vi)	488,330		488,330	
Interest accrued and due on above	<u>486,646</u>	974,976	<u>486,646</u>	974,976
Working Capital Loan from Banks (vi)	260,000		260,000	
Interest accrued and due on above	<u>285,706</u>	545,706	<u>285,706</u>	545,706
For securities refer to (v)				
Term Loan from :				
Banks (vii)	142,441		142,441	
Interest accrued and due on above	<u>243,678</u>	386,120	<u>243,678</u>	386,120
Short Term Loan from a Bank (x)	50,000		50,000	
Interest accrued and due on above	<u>84,857</u>	134,857	<u>84,857</u>	134,857
Financial Institutions (vii)	191,954		191,954	
Interest accrued & due on above	<u>412,608</u>	604,562	<u>412,608</u>	604,562
Other Loans from Banks (viii)	34,125		34,125	
Interest accrued & due on above	<u>33,507</u>	67,633	<u>33,507</u>	67,633
From Banks - Bill Discounting facility (ix)	27,461		27,461	
Interest accrued & due on above	<u>49,012</u>	76,473	<u>49,012</u>	76,473
Other Loans (xi)	208,275		211,175	
Interest accrued & due on above	-	208,275	-	211,175
		<u>3,564,842</u>		<u>3,567,742</u>
UNSECURED LOAN				
Long Term :				
From Banks - Bill Discounting facility	3		243	
Interest accrued & due on above	-	3	-	243
From Others (x)	63,484		67,565	
Interest accrued & due on above	<u>159,942</u>	223,427	<u>147,594</u>	215,158
		<u>223,429</u>		<u>215,401</u>
		<u>3,788,272</u>		<u>3,783,143</u>

- (i) Rs. 8,00,00,000/-, 20.5% Non-Convertible Debentures of Rs. 100/- each redeemable at 5% premium privately placed with IDBI are redeemable in three tranches amounting to Rs. 200 lacs, Rs. 400 lacs and Rs. 200 lacs on 1st January, 2004, 2005 and 2006. However the said debenture has not been redeemed.
- (ii) Rs. 1,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with NIA were redeemable at the end of the third year from the date of allotment i.e., 25th February, 2003 at par. However the said debenture has not been redeemed yet.
- (iii) Rs. 5,00,00,000, 15% Non-Convertible Debentures of Rs. 100/- each privately placed with UTI are redeemable in three tranches of equal amount at the end of the 4th, 5th and 6th year from the date of allotment i.e., on 18th October, 2003, 2004, 2005 respectively at par.
- (iv) Rs. 10,00,00,000, 13.5% Optionally Convertible Debentures issued to UTI consisting of Part A (10,00,000 Debentures) of Rs.50/- each converted into Equity Shares of Rs. 2/- each at a premium of Rs. 7.40 on 30th November, 2001. Optional Part B (10,00,000 Debentures) of Rs.50/- each convertible into Equity Shares of Rs.2/- each at a premium of Rs.7.40 on notice being served. If option is not exercised, it shall be redeemed at par in 3 equal instalments on 31st May, 2004, 2005, 2006 respectively. However nothing has happened on this front as yet.
- (v) All the Non-Convertible Debentures and Optionally Convertible Debentures are to be secured by an equitable mortgage of the Company's all immovable properties both present and future and hypothecation of other movable assets save and except stock and book debts (by way of second charge) ranking pari-passu with mortgage / charge created in favour of IDBI / IFCI / IIBI. Security documentations are pending for 15% NCD placed with NIA, 15% NCD placed with UTI and 13.5% OCD placed with UTI.
- (vi) Cash credit and working capital loan from banks are secured by way of charge on Company's stocks (not relating to plant and machinery), bills receivable, book debts and other movables both present and future except for certain Jensonomatic Automatic Machines hypothecated by way of a first charge in favour of a banker. Temporary overlimit taken from a bank is also guaranteed by one of the Directors of the Company.
- (vii) Term Loan from Banks and financial institutions are secured by equitable mortgage of immovable properties of the Company and by way of charge on movable plant and machinery, machinery spares, tools and accessories and other movables both present and future. The Term Loan of Rs.60000 thousands from IIBI included in the above loans is also guaranteed by some of the Directors of the Company.
- (viii) Includes Rs. 5125 thousands secured by pledge of various raw materials & components (imported or indigenous) and guaranteed by one of the Directors of the Company. Security documentation is pending. Includes Rs.29000 thousands from another banker secured by hypothecation of stocks and book debts.
- (ix) Bill Discounting facility from SIDBI is secured by a second charge on whole of the immovable properties of the Company together with building, Plant and Machinery and other items attached to the earth or permanently fastened to earth.
- (x) Long term loans include Rs. 50000 thousands received originally as Short term in 1997-98 for a period of six months as advance for issue of secured Redeemable Non-Convertible debentures of Rs. 100/- each which was subsequently renewed for a further period of six months. No repayment has been made nor any debenture has been issued as yet. Now it has been categorised as Long term as per Schedule VI requirements
- (xi) Secured Loan received from M/s Vivid Colors Pvt Ltd. Remaining outstanding as on 31st March, 2010 Rs. 208,275 thousand. This was taken by executing deed of assignment of Trade Marks of the company for a total period of 3 Years or such other period as may be agreed between the parties subject to finalisation of restructuring package.
- (xii) Secured by second and pari passu charge on all fixed assets of the company.

SCHEDULES TO THE ACCOUNTS

4. FIXED ASSETS.

(Rupees in '000)

	GROSS BLOCK				DEPRECIATION				IMPAIRMENT		NET BLOCK			
	Cost/ Revaluation as at 31.03.09	Additions	Less: Sales/ Adjustment	Cost/ Revaluation as at 31.03.10	As at 31.03.09	Provided	On Revaluation	On Sales/ Adjustment	Total As at 31.03.10	As at 31.03.09	Provided	As at 31.03.10	As at 31.03.10	As at 31.03.09
Freehold Land	239,869	-	-	239,869	-	-	-	-	-	-	-	-	239,869	239,869
Leasehold Land	32,670	-	-	32,670	5,039	27	327	-	5,367	-	-	-	27,293	27,037
Buildings	155,519	-	-	155,519	81,742	2,225	902	-	84,868	20,807	-	20,807	49,844	52,971
Plant and Machinery	1,545,414	3,325	-	1,548,739	524,754	18,799	-	-	541,553	931,429	-	931,429	75,756	89,231
Trade Mark	239,964	-	-	239,964	239,964	-	-	-	239,964	-	-	-	-	-
Laboratory Equipments	14,818	-	-	14,818	11,097	704	-	-	11,801	-	-	-	3,017	3,721
Furniture & Fittings	99,439	-	-	99,439	84,714	1,142	-	-	85,856	6,583	-	6,583	7,000	8,142
Motor Vehicles	4,615	-	-	4,615	4,344	271	-	-	4,615	-	-	-	-	271
	<u>2,332,308</u>	<u>3,325</u>	<u>-</u>	<u>2,335,633</u>	<u>951,647</u>	<u>21,168</u>	<u>1,229</u>	<u>-</u>	<u>974,044</u>	<u>958,819</u>	<u>-</u>	<u>958,819</u>	<u>402,770</u>	<u>421,842</u>
Capital Work-in-Progress													2,022	1,756
													<u>404,792</u>	<u>423,598</u>
Previous Year	<u>2,332,860</u>	<u>522</u>	<u>1,074</u>	<u>2,332,308</u>	<u>930,097</u>	<u>21,381</u>	<u>1,243</u>	<u>1,074</u>	<u>951,647</u>	<u>944,151</u>	<u>14,667</u>	<u>958,819</u>	<u>421,842</u>	<u>458,612</u>

Notes :

- 1 The Company revalued its freehold land, buildings and plant & machinery as at 30.06.85 and thereafter on 30.09.95 further revalued its land and building. These revaluations resulted in net increase in value of assets by Rs. 334063 thousand as at 30th September, 1995 which was credited to Revaluation Reserve.

Schedules to the Accounts

(Rupees in'000)

	As at 31st March, 2010	As at 31st March, 2009
5 INVESTMENTS		
OTHER THAN TRADE		
UNQUOTED		
30 - 1/2 % Debenture of Rs.100/- each of Wood Lands Medical Centre Ltd. fully paid.	3	3
Rs. 4,500/- 5% Registered Debenture Stock (non-redeemable) of Wood Lands Medical Centre Ltd. fully paid	5	5
500 'B' Class Shares of Rs.10/- each of J&N Employees' Consumers' Co-operative Stores Limited, fully paid	5	5
500 Equity Shares of Rs.10/- each of The Co-operative Stores Limited, Delhi, fully paid	5	5
37,978 Units of Unit Trust of India, fully paid		
[Repurchase price Rs.207 thousands, (31.03.09 - Rs. 207 thousands)]	207	207
	<u>225</u>	<u>225</u>
There is no market value available for unquoted investments.		
6 INVENTORIES		
Stores and Spare Parts	2,881	3,033
Less: Provision for Stocks Lying at Naihati	<u>2,657</u>	<u>2,657</u>
Raw Materials	51,949	50,500
Less: Provision for Stocks Lying at Naihati	<u>36,744</u>	<u>36,744</u>
Containers	5,897	5,872
Less: Provision for Stocks Lying at Naihati	<u>1,290</u>	<u>1,290</u>
Work-in-Progress	1,466	554
Less: Provision for Stocks Lying at Naihati	<u>433</u>	<u>433</u>
Finished Goods	59,128	57,010
Less: Provision for Stocks Lying at Naihati	<u>1,477</u>	<u>1,477</u>
	<u>57,651</u>	<u>55,533</u>
	<u>78,720</u>	<u>74,369</u>
7 SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered Good	445	3,742
Considered Doubtful	95,075	107,002
Other Debts		
Considered Good	61,894	72,519
	<u>157,414</u>	<u>183,263</u>
Less : Provision for Doubtful Debts	<u>95,075</u>	<u>107,002</u>
	<u>62,339</u>	<u>76,261</u>

(Rupees in '000)

	As at 31st March 2010	As at 31st March 2009
8 CASH AND BANK BALANCE		
Cash in hand	720	747
Cheques in hand and in transit	-	-
Balance with Scheduled Banks		
On Current Accounts	25,525	14,823
On Term Deposits	209,032	191,740
On Fixed Deposit and Dividend Account	5	5
On Margin Money Deposit	1,224	1,224
	<u>236,506</u>	<u>208,540</u>
9 LOANS AND ADVANCES (Unsecured)		
CONSIDERED GOOD		
Advances recoverable in cash or in kind or for value to be received	9,930	9,306
Balances with Customs, Port Trust & Excise Authorities	2,247	2,247
Sundry Deposits	<u>1,536</u>	<u>1,536</u>
	13,712	13,089
CONSIDERED DOUBTFUL		
Advances recoverable in cash or in kind or for value to be received	20,641	20,641
Sundry Deposits	6,699	6,699
Jenson & Nicholson of Pakistan Limited	<u>349</u>	<u>349</u>
	27,690	27,690
	41,402	40,779
Less: Provision for Doubtful Advances	<u>27,690</u>	<u>27,690</u>
	<u>13,712</u>	<u>13,089</u>
10 CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	326,698	322,218
Other Liabilities	447,292	417,500
Unclaimed Fixed Deposit	1,357	1,357
Share Application Money Refund	-	30
	775,348	741,106
PROVISIONS.		
Provision for Tax (net of advance payment of tax)	11,465	13,448
Provision for Gratuity	33,452	33,705
Provision for Leave Encashment	<u>7,733</u>	<u>7,768</u>
	52,650	54,921
	<u>827,997</u>	<u>796,027</u>
There is no amount due and outstanding to be credited to Investor Education & Protection Fund as at 31.03.2010		
11 OTHER INCOME		
Miscellaneous Income	7,216	4,794
Interest (Gross)	15,508	12,682
Provision for Doubtful Debts W/off no longer required	<u>11,927</u>	-
	<u>34,651</u>	<u>17,476</u>
12 EXTRAORDINARY ITEMS		
Impairment Loss	-	14,667
Provision for Reduction in Value of Stocks lying at Naihati	-	4,463
	-	19,130
Less :Non Competing Fees	<u>11,000</u>	<u>11,000</u>
	<u>(11,000)</u>	<u>8,130</u>

	As at 31st March, 2010		As at 31st March, 2009	
13 CONSUMPTION OF MATERIALS ETC.				
Raw Materials & Components				
Opening Stock	50,500		42,927	
Add : Purchases	176,997		197,614	
	227,497		240,540	
Less : Closing Stock	51,949	175,548	50,500	190,041
Containers				
Opening Stock	5,872		5,700	
Add : Purchases	31,455		31,758	
	37,327		37,458	
Less : Closing Stock	5,897	31,430	5,872	31,586
Work-in-Progress				
Opening Stock	554		918	
Less : Closing Stock	1,466	(912)	554	364
Finished Goods				
Opening Stock	57,010		50,203	
Add : Purchases	50,822		59,701	
	107,832		109,904	
Less : Closing Stock	59,128	48,704	57,010	52,894
		254,770		274,884
14 EMPLOYEE COST				
Employees' Remuneration & Benefits :				
Salaries, Wages & Bonus	43,976		38,611	
Gratuity,Leave Encashment & Pension	946		1,189	
Contribution to Provident & Other Funds	3,248		2,873	
Staff Welfare	3,657	51,828	3,215	45,887
15 EXPENSES				
Power & Fuel	3,454		2,944	
Consumption of Stores & Spare Parts	1,083		1,516	
Repairs & Maintenance	1,789		2,363	
Freight	24,422		22,342	
Travelling	11,597		10,856	
Advertising & Sales Promotion	5,250		6,317	
Cash Discounts	15,258		14,651	
Rent	8,801		8,946	
Communication Exp.	3,423		3,648	
Consultancy Charges	4,373		3,418	
Insurance	474		534	
Rates & Taxes	2,422		2,915	
Auditors' Remuneration				
As Audit Fee	150		100	
For Tax Audit Fees	60		25	
For Other Services	121		75	
Reimbursement of Expenses	40	371	20	220
Internal Audit Fees and Exp.		428		-
Directors' Fee		195		80
Provision for Doubtful Advances		-		3,379
Provision for Doubtful Debts		-		3,039
Miscellaneous		15,209		13,038
		98,550		100,207

Schedule - 16

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting

The financial statements are prepared under historical cost convention modified by the revaluation of certain fixed assets, on the basis of a going concern and are in accordance with the requirements of the Companies Act, 1956, and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

2) Fixed Assets

i) Freehold land, Buildings and Plant and Machinery as at 30th June, 1985 are stated at valuation which was done by an approved valuer at the then current replacement value. Subsequent acquisition of these assets and other fixed assets are stated at their purchase cost together with any incidental expenses of acquisition. Further Land & Buildings as at 30th September, 1995, was revalued by an approved valuer and the net increase in such revaluation was credited to revaluation reserve. Interest on borrowing for acquisition of qualifying assets is capitalised. During the year 2005-2006 the company made an assessment for any indication of impairment in the carrying amount of the company's fixed assets and determined the impairment loss on certain fixed assets. As required by the Standard, the impairment loss has been assessed and charged to the Profit & Loss account after adjusting the revaluation reserve on the assets.

ii) Trade Mark

A product under the brand name of "Instacolor" was launched in previous years for which a significant amount in terms of advertisement etc. was incurred for promotion of the above brand. The company had applied for registration of such brand as Trade mark, expenses incurred on such brand from the date of launching till 31st March, 1999 was capitalized but registration department has still not issued the necessary registration certificate.

iii) Depreciation

Depreciation is provided on straight line/written down value method on pro rata basis at the rates specified in the Schedule XIV of the Companies Act, 1956, except for following assets as under:

- a) (i) Written down value method – on assets acquired upto 30th June, 1986.
- (ii) Straight line method – on assets acquired on and from 1st July, 1986.
- b) Leasehold land is amortised over the period of the lease.
- c) Freehold land is not depreciated.
- d) Trade Marks is written off on straight line method over a period of ten years.
- e) In respect of impaired assets depreciation is provided under Straight Line Method based on assets revised carrying amount less its residual value if any over its remaining estimated useful life.
- f) In respect of revalued assets, depreciation on the amount added on revaluation is set off against Revaluation Reserve.
- g) Profit or loss on disposal of fixed assets is recognised in Profit and Loss Account.

3) Impairment Loss

Impairment loss assessment is done at the balance sheet date to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on Straight Line basis over its remaining useful life.

4) Investments

- a) Long Term Investments are stated at cost. In case, there is a permanent diminution in the value of any investments, a provision for the same is made in the accounts.
- b) Current Investments are stated at lower of cost and market value / repurchase price.
- c) Dividend income is accounted when the right to receive payment is established and known.

5) Valuation of Inventories

- a) Stores and spare parts are valued at cost less provisions as required on account of damaged and obsolete stocks.
- b) Stock in trade comprising of raw materials (including in transit), packing materials, stock in process and finished goods are valued at the lower of cost and net realizable value after making such provisions as required on account of damaged, unserviceable, inert and obsolete stocks.
- c) Cost has been arrived at on the basis of weighted average method.

6) Foreign Currencies

Transactions in foreign currency are recorded in rupees by applying rate of exchange ruling at the time of transaction and exchange differences arising on settlements except for acquisition of fixed assets are dealt with in the Profit & Loss Account. Unsettled transactions are converted at the year-end rate and gain or loss arising on such transaction is recognised in the Profit & Loss Account except in respect of exchange differences arising on repayment of foreign currency liabilities incurred for acquiring fixed assets which are adjusted in the carrying cost of the respective fixed assets.

7) Revenue Recognition

Revenue is recognised to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Company.

Sales of Goods:

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns and sales tax.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Dividend:

Revenue is recognized when the right to receive is established.

8) Research & Development

Revenue expenditure on research & Development is charged to Profit & Loss Account in the year in which it is incurred. Capital expenditure on Research and Development is treated in the same way as expenditure on fixed assets.

9) Leased Equipment

Rental in respect of leased equipment acquired under financial lease is charged to the Profit & Loss Account.

10) Debenture and Share Issue Expenses

Expenses incurred in connection with issue of debentures are written off over the period of such debentures or ten years whichever is earlier.

Preference Share issue expenses are charged off over the period of such Preference Shares.

11) Voluntary Retirement Scheme / Retrenchment Compensation

Payments under voluntary retirement scheme for employees is amortised in equal instalments over a period of five years.

Retrenchment compensation to employees is amortised in equal instalments over a period of 60 months.

12) Retirement Benefits

Contribution to defined contribution scheme such as provident fund etc. are charged to the Profit and Loss Account as incurred. The Company also provides for retirement benefits in the form of Gratuity and Leave Encashment. Such defined benefits are charged to the Profit and Loss Account based on actuarial valuation, as at the balance sheet date, made by independent actuaries.

13) Deferred Taxation

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual/reasonable certainty that these would be realized in future.

14) Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.

Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

15) CENVAT

Excise duty payments relating to purchases of input are being debited to CENVAT account, which is utilized against despatch of finished goods after conversion of those inputs into finished goods. Accordingly, purchase account is debited with the value of goods and other expenses but not the

excise duty on purchase. This is being consistently followed by the Company over the years. .

16) Non Compete Fees

Non compete fees received apportioned annually over the period of the Contract .

Schedule – 17
Notes to the Financial Statements

1. There is no estimated amount of contracts remaining to be executed on Capital Account.

2. Contingent liabilities not provided for in respect of :

- i) Sales Tax matter – Rs. 24749 thousand (31.03.09 – Rs. 25742 thousand)
- ii) Income Tax under appeals – Rs. 206044 thousand (31.03.09 – Rs.4434 thousand)
- iii) Panvel Octroi – Rs. 7191 thousand (31.03.09 – Rs. 7191 thousand)
- iv) Bank Guarantee outstanding – Rs. 705 thousand (31.03.09 – Rs. 705 thousand)
- v) Excise Duty under appeal – Rs 39539 thousand (31.03.09 – Rs. 39763 thousand)
- vi) Interest on Custom Duty payable – Rs. 21024 thousand (31.03.09 – Rs. 19152 thousand)
- vii) Arrear Preference Dividend for 1999-2000 to 31st March, 2010 Rs.267300 thousand (31.03.09 – Rs.243000 thousand)
- viii) Disputed interest – Rs. 73967 thousand (31.03.09 – Rs. 73967 thousand)
- ix) Interest on loans taken from banks , financial institutions and other lenders which has not been provided after 31st March 2006 – Rs.3698462 thousand (31.03.09 – Rs. 2497923 thousand)
- x) Claims against the company not acknowledged as debts Rs. 471909 thousand (31.03.09 - Rs. 365869 thousand).
- xi) Claim against the company for given corporate guarantees including interest thereon upto 31.03.2010 amounting to Rs. 913281 thousand (31.03.2009- Rs.769270 thousand), not acknowledged as debts as the obligation to honour the above guarantees has been taken over by a buyer of Jenson & Nicholson Financial Services Ltd.
- xii) Interest on Loan from Vivid Colors Pvt. Ltd. – Rs. 85936 thousand (31.03.09 – Rs. 50510 thousand)
- xiii) Interest on claims of Kolkata Port Trust on account of difference of Rent – Rs. 12811 thousand (31.03.09 – Rs. 11491 thousand).

3. DEFERRED TAX

In view of carry forward losses, in drawing up the Accounts, the company has not considered the impact of Net Deferred tax assets after setting off deferred tax liability arising out of timing difference. Deferred Tax Assets have not been recognized in accounts since it cannot be stated with reasonable certainty that there will be sufficient future income to recover such deferred tax assets.

4. SEGMENT REPORTING

The Company has only one business segment i.e. Paints.

5. In view of erosion of its Net worth, the Company was registered with Board for Industrial & Financial Reconstruction (BIFR) as Sick Company, under the provisions of Sick Industrial Companies (Special Provisions) Act 1985. BIFR had appointed IDBI as Operating Agency (OA) who had been asked to submit a Draft Rehabilitation Scheme to BIFR for consideration.

6 RELATED PARTIES

Related party disclosures in accordance with the Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India.

(` . In '000)

S.No	Name	Relationship	Name of Transaction	Amount of Transaction during the year	Balance as on 31.03.10
1.	Maurya Management Pvt. Ltd.	Associate	Advance	60000	50000 Cr
2.	Kalyanpur Cements Ltd.	Associate	Rent Receipt and Reimbursement of Exp.	1925	752 Cr
3.	Bihar Hotels Ltd.	Associate	Rent Receipt and Reimbursement of Exp.	861	584 Cr

7. Regarding disclosure of Sundry Creditors under Current Liabilities under the 'Micro, Small and Medium Enterprises Development Act', we are unable to find out the exact amount of overdue principal and specified interest thereon, in absence of complete information, documentary evidences and confirmations about the suppliers' status. Whatever communications we have received so far in this regard from the various suppliers, none of them are registered with MSME Act, 2006.
8. Prior period item includes amount payable to ex-employees of Naihati Factory who had retired in prior years. The amount primarily consists of Gratuity, Leave Encashment, Bonus, LTA and additional retirement benefit.
9. Disclosure as per AS 15 revised

The principal assumptions used in actuarial valuation are as below

-Discount rate	7.50%
-Expected rate of return on assets	0.00%
-Expected rate of future salary increase	5.00%

(Rs. In '000)

	Gratuity	Leave Encashment
Change in present value of obligations		
- Present value of obligations as at 01.04.2009	33,705	7,768
- Interest cost	2,518	581
- Current service cost	1,655	350
- Benefits paid	-	-
- Actuarial loss/(Gain) on obligations	(4,426)	(967)
- Present value of obligations as at 31.03.2010	<u>33,452</u>	<u>7,732</u>
Change in fair value of plan assets	NA	NA
Liability recognized in Balance Sheet		
-Present value of obligations as at 31.3.2010	33,452	7,732
-Fair value of plan assets as at the end of the year	-	-
-Funded status [Deficit]	33,452	7,732
-Unrecognised Actuarial (Gain)/Loss	-	-
-Net (Liability) recognized in Balance Sheet	<u>33,452</u>	<u>7,732</u>

10. Particulars of Stocks, Production and Sales for the year ended 31st March, 2010

(' . In '000)

Class of Goods	Unit	Opening Stock		Production	Purchases		Closing Stock		Sales	
		Quantity	Value		Quantity	Value	Quantity	Value	Quantity	Value
Synthetic Resin	thousand Ltrs.	8 (8)	- -	- (-)	- (-)	- (-)	8 (8)	- (-)	- (-)	- (-)
Paints, Varnish, Enamel, Distempers & Cellulose	thousand Ltrs.	847 (750)	55,533 (50,203)	3,847 (3,846)	1,315 (1,304)	50,822 (59,701)	880 (847)	57,651 (55,533)	5,084 (5,003)	393,798 (418,612)
			55,533 (50,203)			50,822 (59,701)		57,651 (55,533)		393,798 (418,612)

Note: 1) Previous Year's figures are given in brackets.

	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
11. Remuneration to Directors & Chief Executive officer		
Other Benefits	-	-
Directors' Fee	195	80
	195	80

(Quantity - Kgs. In '000)

(Value - Rs. in '000)

	Quantity	Value	Quantity	Value
12. Raw Materials & Components consumed				
Acids & Chemicals	148	13,633	184	16277
Resins	1,600	87,796	1,530	95,855
Pigments	377	38974	447	37,634
Solvents	418	19,578	433	22,838
Miscellaneous		15,566		17437
	2,543	175,547	2,594	190,041

13. Consumption of Raw Materials , Components and Spare parts

(Quantity - Kgs. In '000)

(Value - Rs. in '000)

	% of the total consumption	Value	% of the total consumption	Value
(I) Raw Materials & Components				
Imported at landed cost	-	-	-	-
Indigenous	100	175,547	100	190,041
	100	175,547	100	190,041
(II) Stores & Spare Parts				
Indigenous	100	1083	100	1516

14. CIF Value of imports

(I) Raw Materials	-	-
(II) Capital Goods	-	-
(III) Finished Goods	-	1,687
	-	1,687

JENSON AND NICHOLSON (INDIA) LIMITED

15. Particulars of Licensed and Installed capacities	Unit	As at 31st March, 2010	As at 31st March, 2009
(a) Licensed/Registered Capacity			
Synthetic Resin	MT	6821	6821
Paste Paint and Dry Distemper	MT	510	510
Paints, Varnishes, Enamels, Distempers, Cellulose etc.	MT	35247	35247
(b) Installed Capacity			
Synthetic Resin	MT	8415	8415
Paste Paints and Dry Distemper	MT	6203	6203
Paints, Varnishes, Enamels, Distempers, Cellulose etc.	MT	33805	33805
Note: Installed Capacity converted into Litres are as under:			
Synthetic Resin	thousand Ltr.	8415	8415
Paste Paint & Dry Distemper	thousand Ltr.	2297	2297
Paints, Varnishes, Enamels, Distempers, Cellulose etc.	thousand Ltr.	30390	30390

16. The balances of assets in Pakistan as on 31st March , 2010, have been taken into account at par

17. Amounts payable under IDBI Deferred Payment Scheme are secured by hypothecation of assets acquired under the schemes.

18. Earnings per shares has been computed as under:

		31.3.2010	31.3.2009
(a) Net Loss after taxation	(Rs. In '000)	38,731	76,135
(b) Preference Dividend	(Rs. In '000)	24,300	24,300
(c) Adjusted loss after taxation (a)+(b)	(Rs. In '000)	63,031	100,435
(d) Number of Ordinary Shares outstanding (On weighted average basis)		37,425,595	37,425,595
(e) Earnings per share (Basic) - Loss [Face value Rs. 2/- per share]	(Rs.)	(1.68)	(2.68)

Diluted Earnings per share have not been disclosed for both the years as potential ordinary shares, if converted into ordinary shares, will have anti dilutive effect.

19. Previous year's figures have been re-arranged / re-grouped wherever necessary.

Signatures to Schedules 1 to 17

As per our attached report of even date

M. Mukerjee & Co
Chartered Accountants

Rana Chatterjee
Partner
Membership No.53209

Place : Patna
Dated : 28th May, 2010

B.Bhattacharjee
Company Secretary

On behalf of the Board of Directors
A.S.Varma
Chairman & Managing Director
N.M. Sahai
Director
B.S.Sahay
Director
Gopal Ji
Director
Ms. Vasantha Govindan
Director
Ranjit Singh
Director

Part IV
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	4603	State Code	21
Balance Sheet Date	31.03.2010		

II. Capital Raised during the year (Rs in Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Rs in Thousands)

Total Liabilities	4,724,253	Total Assets	4,724,253
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Sources of Funds

Paid - up Capital	244,851	Reserves & Surplus	691,130
Secured Loans	3,564,842	Unsecured Loans	223,429

Application of Funds

Net Fixed Assets	404,792	Investments	225
Net Current Assets	(427,776)	Misc. Expenditure	0
Accumulated Losses	4,747,012		

IV. Performance of the Company (Rs in Thousands)

Turnover	399,971	Total Expenditure	443,525
+/- Profit/Loss Before Tax	(32,554)	+/- Profit/Loss After Tax	(38,731)
Earning per Share (Loss) in Rs.	(1.68)	Dividend Rate %	0

V. Generic Name of Three Principal Products/Services of Company (as per monetary terms)

Product Description	Items Code No.(ITC Code)
Paints & Varnishes	32089019
Paints & Varnishes	32091090
Thinner	38140010

On behalf of the Board of Directors

A.S.Varma
Chairman & Managing Director

N.M. Sahai
Director

B.S.Sahay
Director

Gopal Ji
Director

Ms. Vasantha Govindan
Director

Ranjit Singh
Director

Place : Patna
Dated : 28th May, 2010

B.Bhattacharjee
Company Secretary

Whenever you see col or, thi nk of us

JENSON AND NICHOLSON (INDIA) LIMITED

Registered Office: 7B, Middleton Street, Kolkata-700 071

ATTENDANCE SLIP

87th Annual General Meeting
29th September, 2010

Regd. Folio No. _____

No. of Shares held _____

DP Id	
Client Id	

I/we Certify that I am a registered Shareholder/Proxy for the Registered Shareholder of the Company

I/We hereby record my/our presence at the Eighty-Sevent Annual General Meeting of the Company to be held at the Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata-700 017 on Wednesday, the 29th September, 2010 at 10.30 A.M.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note: Please fill the attendance slip and hand it over at the Entrance of the Meeting hall.

Please note that no gifts/company products will be given at the meeting.

!.....

JENSON AND NICHOLSON (INDIA) LIMITED

Registered Office: 7B, Middleton Street, Kolkata-700 071

PROXY FORM

Regd. Folio No. _____

No. of Shares held _____

DP Id	
Client Id	

I / We..... of
[Address]

.....being a Member/Members of Jenson and Nicholson (India) Ltd., hereby appoint.....

..... ofor failing
[Name in Blocks] [Address]

him/her.....of
[Name in Blocks] [Address]

..... as my/our proxy to attend and vote for me/us, on my/our behalf, at the Eighty-Seventh Annual General Meeting of the Company to be held at the Hall of Kalamandir Basement (Kalakunj), 48, Shakespeare Sarani, Kolkata-700 017 on Wednesday, the 29th September, 2010 at 10.30 A.M. and at any adjournment thereof.

AS WITNESS my/our hand/hands is/are affixed this..... day of
2010.

[Date]

[Month]

Affix
Revenue
Stamp

Signature

Note : This Proxy must be deposited at the Registered Office of the Company at, 7B, Middleton Street, Kolkata-700 071 not less than 48 hours before the time for holding the said Annual General Meeting.

Whenever you see C●L●R, think of us



BOOK -POST

If Undelivered, please return to :

Jenson and Nicholson (India) Limited
7B, Middleton Street,
Kolkata-700 071