



JAYBHARAT SAREES LIMITED

BOARD OF DIRECTORS

Shri Saurabh Kumar Tayal – *Chairman*

Shri Paresh Soni

Shri Anil Rao

PRINCIPAL BANKER

UTI Bank Ltd.

LISTING ON STOCK EXCHANGE

Mumbai

AUDITORS

M/s Sanjay & Vijay Associates

Chartered Accountants

REGISTERED OFFICE

Near Deli Village, Sanjan Road

Bhilad, Valsad, Gujarat

CORPORATE OFFICE & SHARE DEPARTMENT

Raghuvanshi Mills Complex,

11/12, Senapati Bapat Marg,

Near Mahalaxmi Station,

Mumbai – 400 013

PLANTS

Bhilad, Gujarat

Piperia, Silvassa (U.T.)

ANNUAL GENERAL MEETING on 6th September 2002, at 10.00 a.m., at the Registered Office of the Company.

JAYBHARAT SAREES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of the Members of JAYBHARAT SAREES LIMITED will be held at the Registered Office of the Company i.e. Near Deli Village, Sanjan Road, Valsad, Gujarat at 10.00 a.m. on Friday, the 6th September 2002, to transact the following business:

ORDINARY BUSINESS

1. To discuss and adopt the Company's Balance Sheet as at 31st March 2002 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To re-appoint M/s. Sanjay & Vijay Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the Auditors' remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following resolutions **AS ORDINARY RESOLUTIONS**:

3. "RESOLVED THAT Shri Saurabh Tayal, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 4th December 2001 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
4. "RESOLVED THAT Shri Paresh Soni, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 4th December 2001 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
5. "RESOLVED THAT Shri Anil Anand Rao, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 4th December 2001 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
6. "RESOLVED THAT Shri Akhilesh Kumar Vora be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. "RESOLVED THAT Shri Rajshekhar S Ganiger be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. "RESOLVED THAT Shri Anil Kumar Dubey be and is hereby appointed as Director of the Company, liable to retire by rotation."
9. "RESOLVED THAT Shri Subhash Chandra Nigam be and is hereby appointed as Director of the Company, liable to retire by rotation."
10. "RESOLVED THAT Shri Suresh Dattu Patil be and is hereby appointed as Director of the Company, liable to retire by rotation."
11. "RESOLVED THAT Shri Unnikrishnan Menon be and is hereby appointed as Director of the Company, liable to retire by rotation."
12. "RESOLVED THAT Shri Ramesh Dave be and is hereby appointed as Director of the Company, liable to retire by rotation."
13. "RESOLVED THAT Shri Dhananjay Kandhare be and is hereby appointed as Director of the Company, liable to retire by rotation."

14. "RESOLVED THAT Shri Pramod Patil be and is hereby appointed as Director of the Company, liable to retire by rotation."

15. "RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from 25,00,000/- (Rupees Twenty Five Lacs only) divided into 2,50,000/- Equity Shares of Rs. 10/- each to Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 Equity Shares of Rs. 10/- Each by creating additional 47,50,000 Equity Shares of Rs. 10/- each ranking pari-passu with the existing shares in all respects, such as, voting rights, dividend rights etc."

To consider and, if thought fit, to pass with or without modifications the following resolutions -AS SPECIAL RESOLUTIONS:

16. "RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of The Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be substituted by the following New Clause V :

V. The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions in such manner as may for the time being provided by the regulations of the Company. The Rights of the preference shall be determined at the time of issue thereof."

17. "RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by replacing existing Clause 3 by new Clause 3 as under :

3. The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

18. "RESOLVED THAT pursuant to section 149(2A) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the commencement by the Company of all or any of the business specified in clause 2 of Main Objects clause A of the Memorandum of Association."

19. "RESOLVED THAT pursuant to section 372 A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make an investment of a sum not exceeding Rs. 10 crores (Rupees Ten Crores only), in one or more tranches, in the proposed disinvestment of Maharashtra State Textile Corporation Ltd and its subsidiaries notwithstanding the fact that the aggregate of the investments and loans/guarantees exceeds 60% of the paid up Capital and Free Reserves whichever is more.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution."

20. "RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time all such sums of money as they may deem requisite for the purpose of expansion and diversification of the activities of the Company, notwithstanding that money to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount up to which moneys may be borrowed by the Board of Directors (apart from the temporary loans obtained from the Company's Bankers) shall not exceed Rupees 10 Crores.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution."

JAYBHARAT SAREES LIMITED

21. "RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions if any of the Companies Act, 1956 and subject to the approval of SEBI, RBI etc. and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue Equity/ Redeemable Preference Shares cumulative/non cumulative and/or shares not having voting rights (if permitted by law what so ever name called), Debentures secured or unsecured (Fully/Partly/Non Convertible and with or without interest), Bonds etc., with or without Detachable warrants of the aggregate value not exceeding Rs.47510000 (Rupees Four Crores Seventy five Lacs and Ten Thousand Only) with or without offering to the existing shareholders of the Company on Rights basis and/or to any Financial Institutions, Body Corporate or Persons by way of Private subscriptions and/or by a Public Issue to NRIs and to the general public and/or to employees of the Company, on such terms and conditions as to total amount of issue, Rate of Interest, Nominal Value, Convertibility, Time of conversion, Premium/ Discount on issue, Premium on Conversion into shares, Nature of security, Disposal of un-subscribed portion, right to retain the excess subscription, Right of entitlement of Equity Shares if issued before full conversion of Debentures, Premium on Redemption, Period of Redemption and such other terms and conditions as the Board of Directors may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings, as it may consider necessary, (under the common seal of the company if required and proper for the purpose of giving effect to the above Resolution)."

NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, the 4th September 2002 to Friday, the 6th September 2002 (both days inclusive) to comply with Annual Book Closure requirements.
5. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

By Order of the Board

Place: Mumbai

Date : 29th June 2002

Saurabh Tayal

Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :**ITEM NO. 3 :**

Shri Saurabh Tayal was appointed as an Additional Director by the Board on the 4th December, 2001 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Saurabh Tayal for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 4 :

Shri Paresh Soni was appointed as an Additional Director by the Board on the 4th December, 2001 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Paresh Soni for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 5 :

Shri Anil Anand Rao was appointed as an Additional Director by the Board on the 4th December, 2001 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Anil Anand Rao for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 6 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Akhilesh Kumar Vora for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 7 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Rajshekhar S Ganiger for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 8 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Anil Kumar Dubey for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 9 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Subhash Chandra Nigam for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

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ITEM NO. 10 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Suresh Dattu Patil for the office of the Director of the Company. The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 11 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Unnikrishnan Menon for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 12 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Ramesh Dave for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 13 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Dhananjay Kandhare for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 14 :

The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Pramod Patil for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 15, 16 AND 17 :

The present Share Capital of the Company is Rs. 25,00,000/- (Rupees Twenty Five Lacs Only) divided into 2,50,000/- Equity Shares of Rs. 10/- (Rupees Ten Only) each. In order to meet the requirement of the proposed expansion and diversification plans of the Company it is proposed to increase the Authorized Share Capital to Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only)

Consequent upon the increase in Share Capital, the Clause V of the Memorandum of Association and Clause 3 of the Articles of Association is also required to be altered. The approval of the members is, hence sought for Increase in Authorized Share Capital and consequential amendments in the Memorandum and Articles of Association.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 18 :

Since incorporation, the Company is engaged in the business of textiles. For some time past, the Board of Directors of the Company has been considering Proposals for diversifying the Company's Activity. After taking into account the financial resources of the Company and other relevant factors, the Board considered it possible and desirable to diversify the Company's activities by undertaking the business of bio-technology . The Company has already , in its Extra Ordinary General Meeting of members held on 15th April 2002, altered the main Object Clause of its Memorandum of Association to enable the Company to diversify its operations in the area of Bio- technology.

According to section 149(2A) of the Companies Act, 1956, no company can commence any new business, which is not germane to the existing business carried by it unless the Company has approved the Commencement of such new business by a Special Resolution passed in that behalf at a general meeting. As the commencement of the proposed business in terms of clause 2 of clause A of the Memorandum of Association of the company may be considered to be the commencement of new business within the meaning of section 149(2A) of the Act, it is necessary to obtain the approval of the members by a special resolution to such commencement of new business pursuant to the said section. The resolution is intended for this purpose. The Company's Memorandum of Association is open for inspection at the Company's registered office during usual business hours on any working day.

None of the Directors is interested in the above resolution.

ITEM NO. 19 :

For some time past, the Board of Directors of the Company has been considering proposals for expansion and diversification of the activities of the Company. In this regard, your management is planning to participate in the proposed disinvestment of Maharashtra State Textile Corporation Ltd (MSTC) and its subsidiaries. It is proposed to invest a sum not exceeding Rs. 10 Crores, in one or more tranches, in the disinvestment proposal of Maharashtra State Textile Corporation Ltd and its subsidiaries. The proposed investment shall be funded by fresh equity capital to be raised / borrowings to be made specifically for this purpose. The Company has not obtained any loan from any Public Financial Institution and has not accepted any Public Fixed Deposit.

Since the proposed investment will exceed 60% of the paid up Capital and Free Reserves of the Company, the approval of the Members is required in this regard by way of Special Resolution.

None of the Directors is interested in the above resolution.

ITEM NO. 20 :

With the Company's plans for expansion and diversification, your Board thinks it necessary to acquire the power to borrow money in excess of the Company's capital and free reserves. In this regard, the sanction of the shareholders is sought to permit the Board to borrow money in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve.

The approval of the Members is required in this regard by way of Special Resolution. None of the Directors is interested in the above resolution.

ITEM NO. 21 :

The Company intends to go for expansion or diversification of its activity. To meet the requirement of additional funds, this resolution seeks the permission to be granted to the board to issue securities in one or more tranches with or without offering to the existing shareholders in terms of the provisions of section 81 of the Companies Act, 1956 and at such time/s and price/s as the Board may deem to fit.

As required under section 81(1A) of the Companies Act, 1956 this resolution is placed for the approval of members by way of Special Resolution. The Directors are interested in the above resolution to the extent of their shareholding in the Company.

By Order of the Board

Place : Mumbai

Date : 29th June 2002

Saurabh Tayal
Chairman

JAYBHARAT SAREES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report and the audited Statements of Accounts of your Company for the financial year ended 31st March 2002.

FINANCIAL RESULTS :

	2001-2002 (Rs. ,000)	2000-2001 (Rs. ,000)
Sales & Other Income	2550	17935
Profit before Depreciation, Interest and Tax	439	855
Interest & Finance Charges	337	697
Depreciation	-	98
Provision for Tax	38	20
Profit(Loss) for the year	64	40
Less : Short Provision for Income Tax	12	22
Net Profit(Loss)	52	18
Profit/(loss) brought forward from PreviousYear	398	380
Profit /(Loss) carried to Balance Sheet	450	398

Note : Previous year figures have been regrouped/rearranged wherever necessary.

DIVIDEND

In view of the inadequacy of profits, your Directors do not recommend any dividend on the equity shares for the year under review.

OPERATIONS AND FUTURE PLANS

For some time past, the Board of Directors of the Company has been considering proposals for expansion and diversification of the activities of the Company. In this regard, your management is planning to participate in the proposed disinvestments program of Maharashtra State Textile Corporation Ltd (MSTC). Further, after taking into account the financial resources of the Company and other relevant factors, the management considers it possible and desirable to diversify the Company's activities by undertaking the business of bio-technology . The Company has already , in its Extra Ordinary General Meeting of members held on 15th April 2002, altered the main Object Clause of its Memorandum of Association to enable the Company to diversify its operations in the area of Bio-technology. Now, in this Annual general Meeting, approval of the members is sought in terms of section 149(2A) of the Companies Act, to commence the business in the area of Bio-technology.

DIRECTORS

During the year, Shri Jitendra Kumar Arya, Shri Rajendra Prasad Sharma and Shri Anil Kumar Aggarwal resigned from the Directorship of the Company. Your Directors place on record their appreciation of the services rendered by the Directors concerned. Shri Saurabh Tayal, Shri Paresh Soni and Shri Anil Anand Rao were appointed as Additional Directors of the Company during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company is carrying only domestic trading activities, information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is not applicable to the Company.

PERSONNEL

The Directors are happy to state that the relations between the Company and its Employee remained cordial throughout the year. The Directors acknowledge and express their appreciation for the contributions made by the employees at all levels. Particulars of employees of the company, in terms of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, have not been given as no Employee falls within the purview of the said Section.

FIXED DEPOSITS

The Company has not invited/received any Fixed Deposits from the public during the year under report.

INSURANCE

The properties/assets of your Company are adequately insured.

AUDITORS

M/s. Sanjay & Vijay Associates, Chartered Accountants, the Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by all Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on behalf of the Board

Place : Mumbai
Date : 29th June 2002

Saurabh Tayal
Chairman

AUDITOR'S REPORT

To
The Members,
JAYBHARAT SAREES LTD.

1. We have audited the Balance Sheet of JAYBHARAT SAREES LIMITED as at 31 March, 2002 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act of India, 1956 ("the Act") and also give respectively, a true and fair view in conformity with the accounting principles generally accepted :
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on the date.
4. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books. The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
5. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act.
6. Based on representations made by all the Directors of the Company and the information and explanations as made available, directors of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) of Section 274 of the Act.
7. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, dated 7th September, 1988 issued by the Central Government of India in terms of Section 227 (4A) of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :
 - (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of the Fixed Assets.
 - (b) The fixed assets of the Company are Physically verified by the Management and this revealed no material discrepancies.
 - (ii) The fixed assets of the Company have not been revalued during the year.
 - (iii) The stocks of finished goods, stores, spare parts and raw materials of the company, at all its locations, have been physically verified by the Management during the year.
 - (iv) In our opinion, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
 - (v) The discrepancies between the physical stocks and the book stocks, which have been properly dealt with in the books of account, were not material.
 - (vi) In our opinion, the valuation of stocks of finished goods, stores, spare parts and raw materials has been fair and proper in accordance with the normally accepted accounting principles followed in India and is on the same basis as in earlier years.
 - (vii) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Act. In terms of sub-section (6) of Section 370 of the Act, the provisions of the section are not applicable to a Company on or after the commencement of the Companies (Amendment) Act, 1999.
 - (viii) In our opinion, the rates of interest and terms and conditions of loans, secured or unsecured, granted by the Company during the year, to companies, firms or other parties listed in the register maintained Under Section 301 of the Act, are not prima facie prejudicial to the interest of the Company. In terms of sub-section (6) of

Section 370 of the Act, provision of the Section are not applicable to a Company on or after the commencement of the Companies (Amendment) Act, 1999 :

- (ix) The Parties (including employees) to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest, wherever applicable.
- (x) In our opinion and having regard to the explanation that, in a few cases as the items are of a special nature and no alternative quotations are available, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of stores, raw materials including components, plant and machinery, equipment and similar assets and for the sale of goods.
- (xi) In our opinion, purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and aggregating during the year Rs. 50,000/- or more in values in respect of each party, have been made at prices which are reasonable having regards to the prevailing market prices for such goods, materials or services or the prices at which the transactions for similar goods or services have been made with other parties, where applicable.
- (xii) The Company has a system of determining unserviceable or damaged stores, raw materials or finished goods on the basis of technical evaluation and on such basis, in our opinion adequate amounts have been written off in respect of such stocks in the accounts.
- (xiii) The company has not accepted any deposits under section 58A of the Companies Act and as per the directives issued by the Reserve Bank of India.
- (xiv) In our opinion, reasonable records have been maintained for the sale and disposal or realisable by products and scrap, where applicable and significant.
- (xv) In our opinion, the Internal Audit conducted by the management of the Company as well as by the officer of the Company is commensurate with the size of the Company and in the nature of the business.
- (xvi) The Central Government has not Prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for any of the product of the Company.
- (xvii) As explained to us the provisions of Provident fund Act and Employees state Insurance Act are not applicable to the Company. :
- (xviii) At the last day of the financial year, there were no amounts outstanding in respect of undisputed Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which were due for more than six months from the date they became payable.
- (xix) During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices followed in India, we have not come across any personal expenses which have been charged to the Profit and Loss Account other than those payable under contractual obligations and accepted business practices, nor have we been informed of such a case by the Management.
- (xx) The Company is not a sick industrial company within the meaning of Clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 of India.
- (xxi) In respect of services rendered :
 - (a) Considering the nature of services rendered and on the basis of billing, it is not considered to be necessary to have a system of allocation of consumption of materials and stores to the relative jobs. However, the Company has a reasonable system of recording receipts, issues and consumption of materials and stores.
 - (b) Considering the nature of services rendered and on the basis of billing, it is not considered to be necessary to have a system of allocation of manhours utilised at the relative jobs.
 - (c) In our opinion, there is a reasonable system of authorisation at proper levels with necessary controls on the issue of stores and the related system of internal control of the Company, is commensurate with the size of the Company and nature of its business.
- (xxii) In respect of trading activities, there are no damaged goods in the case of goods purchased by the Company for re-sales.

For M/s. Sanjay & Vijay Associates
Chartered Accountants

(Vijay Bhandari)
Partner

Place : Mumbai
Date : 29th June, 2002

JAYBHARAT SAREES LIMITED**BALANCE SHEET AS AT 31ST MARCH 2002**

	SCHEDULE	AS AT 31ST MARCH' 2002 (RS.)	AS AT 31ST MARCH' 2001 (RS.)
A. SOURCES OF FUNDS :			
1	Share Holders Fund		
a)	Share Capital	2490000.00	2490000.00
b)	Share Application	0.00	70000.00
c)	Reserve & Surplus	449532.54	398264.00
		<u>2939532.54</u>	<u>2958264.00</u>
2	Loan Fund		
	Secured Loan	0.00	4835429.00
		<u>0.00</u>	<u>4835429.00</u>
	TOTAL	<u>2939532.54</u>	<u>7793693.00</u>
B. APPLICATION OF FUNDS :			
1	Fixed Assets		
	Gross Block	0.00	568421.00
	Less : Depreciation	0.00	276712.00
	Net Block	<u>0.00</u>	<u>291709.00</u>
2	Investments	0.00	490000.00
3	Current Assets Loans & Advances		
a)	Inventories	—	—
b)	Sundry Debtors	2123534.00	3967264.00
c)	Cash & Bank Balances	793683.54	22975.00
d)	Loans & Advances	165635.00	3134006.00
		<u>3082852.54</u>	<u>7124245.00</u>
	Less : Current Liabilities & Provisions	143320.00	112261.00
4		<u>2939532.54</u>	<u>7011984.00</u>
	TOTAL	<u>2939532.54</u>	<u>7793693.00</u>
NOTES FORMING PART OF THE ACCOUNTS	"F"		

AS PER OUR REPORT OF EVEN DATE

For M/s. Sanjay & Vijay Associates
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Saurabh Tayal
ChairmanParesh Soni
Director(Vijay Bhandari)
PartnerPlace : Mumbai
Date : 29th June 2002

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2002

	SCHEDULE	AS AT 31ST MARCH' 2002 (RS.)	AS AT 31ST MARCH' 2001 (RS.)
A. INCOME			
a) Sale		2550245.00	17918892.00
b) Interest Income		—	—
c) Other Income		—	15733.00
d) Insurance Claim		—	—
e) Increase/(Decrease) in stocks		—	(3898184.00)
TOTAL		<u>2550245.00</u>	<u>14036441.00</u>
B. EXPENSES			
a) Purchase		1957253.00	11770773.00
b) Selling Expenses	"G"	12673.00	614394.00
c) Administrative & General Expenses	"H"	115674.46	494143.00
d) Payment of Employees	"T"	25375.00	301918.00
e) Depreciation		0.00	97931.00
f) Financial Charges	"J"	337521.00	697098.00
TOTAL		<u>2448496.46</u>	<u>13976257.00</u>
Profit/(Loss) before Taxation		101748.54	60184.00
Less : Provision For Taxation		38000.00	20000.00
		<u>63748.54</u>	<u>40184.00</u>
Less : Short Provision for I.T.		12480.00	21931.00
		<u>51268.54</u>	<u>18253.00</u>
Profit/(Loss) B/F From Previous Year		398264.00	380011.00
Profit/(Loss) Carried to B/S		<u>449532.54</u>	<u>398264.00</u>
Earning Per Share : (Note 'N')			
(Face Value of Rs.10/- Per Share)			
(Rupees) Basis		0.21	0.06

NOTES FORMING PART OF THE ACCOUNTS

"F"

AS PER OUR REPORT OF EVEN DATE

For M/s. Sanjay & Vijay Associates
Chartered Accountants

(Vijay Bhandari)
Partner

Place : Mumbai
Date : 29th June 2002

FOR AND ON BEHALF OF THE BOARD

Saurabh Tayal
Chairman

Paresh Soni
Director

JAYBHARAT SAREES LIMITED

SCHEDULE A TO K ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH 2002 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE	AS AT 31ST MARCH' 2002 (RS.)	AS AT 31ST MARCH' 2001 (RS.)
SCHEDULE "A" : SHARE CAPITAL		
AUTHORISED		
2,50,000 Equity Share of Rs. 10/- each	<u>2500000</u>	<u>2500000</u>
ISSUED SUBSRIBED, & PAID UP		
2,49,000 Equity Share of Rs. 10/- each	<u>2490000</u>	<u>2490000</u>
TOTAL	<u>2490000</u>	<u>2490000</u>
SCHEDULE "B" : SECURED LOAN		
Loan From Dena Bank as Cash Credit against good & book debts	<u>0.00</u>	<u>4835429.00*</u>
TOTAL	<u>0.00</u>	<u>4835429.00*</u>
* The Cash Credit Limits are secured by way of Hypothecation of book debts and stock, in addition to personal guarantee of Directors.		
SCHEDULE "C" : INVESTMENT (AT COST) IN FULLY PAID UP EQUITY SHARE (UNQUOTED)		
1) Jay Bharat Dyeing & Printing (P) Ltd. (490 Shares of Rs. 1000/- each fully paid up)	<u>0.00</u>	<u>490000.00</u>
	<u>0.00</u>	<u>490000.00</u>
SCHEDULE "D" : CURRENT ASSETS, LOAN AND ADVANCES		
A. CURRENT ASSET		
1 Inventories (As taken Valued at lower of cost or Market Value and certified by the Management)	<u>—</u>	<u>—</u>
TOTAL	<u>—</u>	<u>—</u>
2 Sundry Debtors (Unsecured considered good)		
a) Debtors exceeding 6 Months	<u>0.00</u>	<u>2053330.00</u>
b) Others	<u>2123534.00</u>	<u>1913934.00</u>
TOTAL	<u>2123534.00</u>	<u>3967264.00</u>

SCHEDULE	AS AT 31ST MARCH' 2002 (RS.)	AS AT 31ST MARCH' 2001 (RS.)
SCHEDULE "D" : CURRENT ASSETS, LOAN AND ADVANCES (Contd..)		
3 Cash & Bank Balance		
a) With Scheduled Bank in C/A, A/C		
Dena Bank	8514.63	—
UTI Bank	10000.00	—
Cash in hand	775168.91	22975.00
	<u>793683.54</u>	<u>22975.00</u>
B. LOANS & ADVANCES		
(Unsecured considered good)		
(Recoverable in cash or kind or for value to be received)		
Capital Advances	0.00	500000.00
Other advances	165635.00	2634006.00
TOTAL	<u>165635.00</u>	<u>3134006.00</u>
GRAND TOTAL	<u>3082852.54</u>	<u>7124245.00</u>
SCHEDULE "E" : CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
1) SUNDRY CREDITORS		
For Goods	105320.00	—
For Expenses & Other Liabilities	—	92261.00
	<u>105320.00</u>	<u>92261.00</u>
2) PROVISIONS		
Provision For Taxation	38000.00	20000.00
	38000.00	20000.00
TOTAL	<u>143320.00</u>	<u>112261.00</u>
SCHEDULE "G" : SELLING EXPENSES		
Octroi Duty Exp.	0.00	15251.00
Freight & Transportation	9194.00	20717.00
Discount and Commission	2694.00	212218.00
Advertisement & Sale Promotion	230.00	137588.00
Packing Expenses	555.00	228620.00
TOTAL	<u>12673.00</u>	<u>614394.00</u>

JAYBHARAT SAREES LIMITED

SCHEDULE	AS AT 31ST MARCH' 2002 (RS.)	AS AT 31ST MARCH' 2001 (RS.)
SCHEDULE "H" : ADMINISTRATIVE EXPENSES		
Electric Expenses	2150.00	116550.00
General Expenses	1254.00	5212.00
Insurance	3250.46	12296.00
Vehicle up keep Expenses	1021.00	62152.00
Books & Perodicals	725.00	890.00
Postage & Telephone Charges	21002.00	74710.00
Regestration & Filing Fees	4065.00	54000.00
Auditors Remuneration	10500.00	8400.00
Muncipal Tax	0.00	86963.00
Shop Maintenance	13251.00	53520.00
Consultancy Charges	3350.00	13150.00
Legal Expenses	46750.00	1550.00
Trayelling Expenses	3125.00	500.00
Printing Staionary	5231.00	4250.00
TOTAL	115674.46	494143.00
SCHEDULE "I" : PAYMENT TO EMPLOYEEES		
Salaries	24125.00	260185.00
Bonus	0.00	29970.00
Staff Welfare	1250.00	11763.00
TOTAL	25375.00	301918.00
SCHEDULE "J" : FINANCIAL CHARGES		
Bank charges & Interest	337521.00	697098.00
Interest to Others	—	—
TOTAL	337521.00	697098.00

SCHEDULE "F" : NOTES FORMING PART OF THE ACCOUNTS & ACCOUNTING POLICIES

(I) NOTES OF ACCOUNTS

- (A) 1. There is no amount of contracts remaining to be executed on Capital account and provided for (previous year Rs.5,00,000) no advance paid against such contract (previous year Rs.5,00,000)
- 2. Contingent liabilities during the year Nil (previous year Nil).
- (B) Directors remuneration during the year is NIL (previous year NIL).
- (C) According to the information and explanation given to us duly certified by the Management, there are no companies under the same management as defined u/s 370 (1B) of the Companies Act, 1956.
- (D) Auditors Remuneration

	CURRENT YEAR	PREVIOUS YEAR
(a) As Auditors	10,500	8,400
(b) In other Capacity	-	-

- (E) There is no employees in receipt of remuneration aggregating to Rs.24,00,000/- or more per year, or Rs:2,00,000/- or more per month for the part of the year. Previous year also there was no such Employees.
- (F) Additional information pursuant to the provisions of paragraph 3 & 4 in part II of Companies Act, 1956.
 - 1. The information pertaining to goods manufacturing, turnover, stock and raw materials consumed (Rs. in 000's).

Product	CURRENT YEAR		PREVIOUS YEAR	
	QT. (MTRS)	VALUE (Rs.)	QT. (MTRS)	VALUE (Rs.)
Sarees & Dress Materials	not Laid down			
1. Production Finished	-	-	-	-
2. Sales Finished	13785	2550	442997	1,79,19
3. Purchases Finished	13785	1957	442997	1,17,70
4. Closing Stock Grey Finished	NIL	NIL	NIL	NIL
5. Opening Stock Grey Finished	-	-	141752	38,98

- (G) The balance of advances, debtors and creditors are subject to confirmation.
- (H) The figures, for the previous year are recasted and regrouped wherever necessary as to make them comparable with those of current year.
- (I) The company has a single business segment namely 'Textiles' hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 01.04.2001 for certain business enterprises is not applicable in case of the company.

JAYBHARAT SAREES LIMITED

- (J) There is no payment overdue to small scale industries.
(K) Gratuity is accounted for in cash basis as and when paid.
(L) Provident fund has been paid regularly in time by company wherever applicable.
(M) AS 22 Accounting for Taxes on Income: The company has no deferred tax liability and assets.

(N) Earning Per Share:

i. Amount used as the numerator Balance of profit for 2001-2002 (Rs.)	51268.54
ii. Number of equity shares used as denominator for 2001-2002	249000.00
Basis earnings per Share (Rs.)	0.21

(II) SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
(ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. REVENUE RECONGNITION :

Expenses and income, not specifically referred to otherwise, considered payable and receivable respectively are accounted for on accrual basis.

3. VALUATION OF INVENTORIES :

Finished goods & Grey At cost or market value, whichever is less.

4. FIXED ASSETS :

Fixed assets are disposed at book value .

5. DEPRECIATION :

No Depreciation is provided as there are no fixed assets.

6. INVESTMENT

Investments are sold at book value.

SIGNATURE TO SCHEDULE "A" TO "J"

FORMING PART OF THE BALANCE SHEET
AND PROFIT & LOSS ACCOUNT

AS PER OUR REPORT OF EVEN DATE

For **M/s. Sanjay & Vijay Associates**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Saurabh Tayal
Chairman

Paresh Soni
Director

(**Vijay Bhandari**)
Partner

Place : Mumbai
Date : 29th June 2002

**ADDITIONAL INFORMATION PURSANT TO PART IV OF SCHEDULE VI TO
THE COMPANIES ACT, 1956.****REGISTRATION DETAILS**

Registration No.	: 11553 of 84 – 85	State Code No.	: 04
Balance Sheet Date	: 31.03.2002		

CAPITAL RAISED DURINT THE YEAR

Public Issue (through the prospectus)	: Nil	Right Issue	: Nil
Bonus Issue	: Nil		
Private Placement (firm allotment to Promoters and their associates)	: Nil		

POSITION TO THE MOBOLISATION AND DEVPOLYMENT OF FUNDS

Total Liabilities	: 29,39,532.54	Total Assets	: 29,39,532.54
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SOURCE OF FUNDS

Paid up Capital	: 24,90,000	Share Application Money	: 0
Reserve & Surplus	: 4,49,532.54	Secured Loan	: 0
Unsecured Loan	: —		

APPLICATION OF FUNDS

Net Fixed Assets	: 0	Investment	: 0
Net Current Assets	: 29,39,532.54	Misc. Deferred Expenses	: —
Accumulated Losses	: —		

PERFORMANCE OF COMPANY

Turnover	: 25,50,245.00	Other Income	: 0.00
Total Expenses	: 24,48,496.46	Profit/(loss) before Tax	: 1,01,748.54
Profit/(loss) after Tax	: 51,268.54	Earning per Share	: 0.21
Divident Rate %	: —		

General Name of Principal Product of Company (as per monatory terms)	: Synthetics Sarees
Item Code No.	: —
Production Description	: Textile Saree and Dress

AS PER OUR REPORT OF EVEN DATE

For **M/s. Sanjay & Vijay Associates**
Chartered Accountants

(Vijay Bhandari)
Partner

Place : Mumbai
Date : 29th June 2002

FOR AND ON BEHALF OF THE BOARD

Saurabh Tayal
Chairman

Paresh Soni
Director

JAYBHARAT SAREES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2002**

	2001-2002 (Rs.)	2002-2001 (Rs.)
Pursuant to the Listing Agreement with Stock Exchanges		
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	51268.54	18253.00
Adjustments for Non Cash Charges	—	—
Depreciation & amortisation	0.00	97931.00
Dividend	0.00	0.00
OPERATION PROFIT BEFORE WORKING CAPITAL CHANGES	51268.54	116184.00
Adjustment for:		
Trade and other receivables	4812101.00	(876,491.00)
Inventories	0.00	3898184.00
Trade Payables	31059.00	(4,915,513.00)
CASH GENERATED FROM OPERATIONS	<u>4894428.54</u>	<u>(1,777,636.00)</u>
Direct taxes paid	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES	<u>4,894,428.54</u>	<u>(1,777,636.00)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0.00	0.00
Sales of Fixed Assets	291709.00	0.00
Purchase/sales of Investments	490000.00	0.00
Dividend and Income received	0.00	0.00
NET CASH USED IN INVESTING ACTIVITIES	<u>781709.00</u>	<u>0.00</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares Capital (including Share Premium)	0.00	0.00
Total proceeds from borrowings	(4,835,429.00)	1734446.00
Share Application Money	(70,000.00)	0.00
Dividend paid (including tax on dividend)	0.00	0.00
NET CASH FROM FINANCEING ACTIVITIES	<u>(4,905,429.00)</u>	<u>1734446.00</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	770708.54	(43,190.00)
CASH AND CASH EQUIVALENTS (Opening Balance)	22975.00	66165.00
CASH AND CASH EQUIVALENTS (Opening Balance)	793683.54	22975.00

For and on behalf of the Board

Place : Mumbai
Date : 29th June 2002**SAURABH TAYAL**
Chairman**PARESH SONI**
Director**AUDITORS CERTIFICATE**

We have examined the attached cash flow statement of JAYBHARAT SAREES LTD. for the year ended 31st March, 2002. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with various Stock Exchanges and is based on and in agreement with corresponding Profit & Loss Account and Balance Sheet of Company covered by our report of even date to the Members of the Company.

For SANJAY & VIJAY ASSOCIATES
Chartered AccountantPlace : Mumbai
Date : 29th June 2002**VIJAY BHANDARI**
Partner

JAYBHARAT SAREES LIMITED

Corporate Office : Raghuvanshi Mills Complex, 11/12, Senapati Bapat Marg, Near Mahalaxmi Station, Mumbai - 400 013.